



REPORT

Strategy for the Provision of Depots - Environmental Services RFP.

London Borough of Bromley

JULY 2017



EXECUTIVE SUMMARY

London Borough of Bromley (the 'Council') is preparing an RFP for the provision of Environmental Services for the Borough and is keen to offer bidders sound real estate infrastructure to support the service. The Council has engaged Cushman and Wakefield to develop a strategy for the provision of real estate under the new contract. Following a review of existing depot provision we have reached the following conclusions:

- Waste Transfer Stations and Household Waste Recycling should continue to be provided at the 2 existing locations, Central Depot and Churchfield Road Depot.
- It is assumed that the 3 grounds maintenance depots at Crystal Palace Park will transfer to a Trust and that the Council will cease to have any further involvement. Mobile crews currently operating out of these depots will transfer to a new Main Depot comprising Churchfields Road/Kelsey Park Lower depots.
- To secure geographical coverage for the grounds maintenance service 3 Main Depots will be established at Churchfields Road/Kelsey Park Depot (west), Central Depot (central) and Priory Gardens Depot (east).
- Winter Services will continue to be operated from Central Depot, supported by one special purpose depot at Shire Road for the bulk storage of rock salt.
- Four site specific facilities will be located at each of the cemeteries - Chislehurst, London Road and St Luke's - and at Croydon Road Recreation Ground.
- Street Cleansing and Passenger Transport Services will continue to be located at Central depot. In addition, opportunities to increase capacity and improve efficiency at Central Depot will be investigated, including the redevelopment of the client office, which will release space for additional car parking provision.
- On account of a combination of poor geographical location, high cost liabilities and a potential to generate sale receipts, the properties at Alligator House (Civic Centre); Beaverwood Depot; the depot and Lodge at Church House Gardens; the Lodge and Den Barn at High Elms Country Park; the chapels at London Road Cemetery and St Luke's Cemetery; and Kelsey Park Upper Depot become surplus and can be released.
- The total number of depots will be reduced from 20 to 11.
- To reduce the Council's long term financial liability, where depots are beyond economic repair buildings will be re-provided by concrete slabs and hardstanding on which the contractor can self-provide modular offices and sea containers (excepting WTS). This will ensure that provision is matched to need and the risk of surplus provision is minimised.
- The estimated 30 year cost of maintenance will be reduced from £5.34 million to £3.90 million (This figure does not include the cost of upgrading WTS and HWRC facilities to achieve Environment Agency compliance; nor the cost of major structural works at Central Depot which are either currently underway or being procured under the Council's Capital Works Programme).
- The disposal of surplus properties could raise a potential receipt of £9.45 million (less the cost of realisation – environmental remediation, abnormal construction and planning), subject to the Council securing planning permission.
- There is a high risk that the WTS and HWRC at both Central Depot and Churchfield Road Depot will need to be replaced within the term of the contract. The Council might opt to provide these directly through the Capital Works Programme, or, alternatively, may seek to provide them through the contract. In such instance the it may be necessary to award a 25 year contract to provide sufficient time for the contractor to recover his investment plus return on capital. The Council is currently proposing to offer an 8+8 year contract in the RFP.
- We recommend that a further detailed feasibility study be carried out to investigate the options available for the replacement of the two waste transfer stations to establish the likely cost and the best delivery solution.

1.0 BACKGROUND

A number of key frontline environmental service contracts have been aligned to expire in March 2019 and London Borough of Bromley ('the 'Council') is preparing an RFP for the provision of Environmental Services for the Borough. The services will be offered as lots in accordance with procurement regulations and to allow the Council to secure maximum market advantage.

Most of the services are already contracted to external suppliers and the draft tender documentation does not propose significant changes to the current service provision. It is proposed that the services are tendered for eight years with an option to extend for a further eight years. The Council is open as to whether several individual contractors, a joint venture, consortium, or a single main contractor (which may sub-contract) provides the proposed services.

The availability of serviceable local depots is fundamental to the delivery of the core service lots, including waste management, street cleaning and grounds maintenance. A number of strategic property activities have been undertaken to assess the depots' condition, future use and investment requirements. The service requirements have fed into this review, designed to clarify the anticipated requirement for depot space.

The Borough currently supports existing services through the provision of 19 depot/office sites located across the Borough.

These depots vary in size and composition and operate on a hierarchical basis:-

- A small number of large depots act as a 'core hubs' serving a larger geographic area, in many cases the entire Borough;
- Secondary hubs providing localised operations and transport facilities;
- Site specific facilities within cemeteries and parks which are used for the storage of tools for everyday use;
- Depots which have a specific use and are not occupied every day.

Current levels of utilisation indicate that provision is not aligned to need and to support the preparation of the RFP.

Cushman and Wakefield has been engaged to develop a strategy for the provision of depots under the new contract.

2.0 OBJECTIVES

The Council has identified the following objectives:

- The Council will be inviting bidders under the RFP to submit innovative solutions to the operation of the service. It, nevertheless, needs to provide all bidders with access to robust real estate infrastructure that will support the service.
- The real estate infrastructure needs to provide sufficient geographical coverage to service the entire Borough.
- To reduce the Council's existing financial liabilities.
- To reduce the future cost of provision.
- To release high value sites where there is an opportunity to create and realise capital receipts.

The following are outside the remit of this report:

- **Compliance Assessment** - The existing properties have not been assessed against compliance and the financial estimates do not include any allowance for this.
- **Environmental Investigations** - We have carried out no investigations into the physical condition of the land and buildings and the estimated costs, receipts and recommendations contained in the report are based on the assumption that there is no pollution or contaminative substances in the subject sites or any other land (including any ground water) or any hazardous substances in any buildings.
- **Load Bearing Capacity** - We have assumed that the ground bearing capacity is sufficient for the intended use in each case and that no abnormal foundation or reinforcement works will be required.
- **Legal** - We have assumed that the Council can secure vacant possession of each property at the expiry of the existing contract and that works can be carried out without the need for decanting services to a non-core depot.
- **Planning** – For sites with alternative use potential we have assumed that an unfettered satisfactory planning consent is granted for a scheme of redevelopment in each case. We have not engaged with the Planning Authority.

3.0 APPROACH

Understand the Council's Objectives

We obtained an understanding of the services within the contract, how they currently operate and how performance might be enhanced through more strategic provision of depots.

Collect data on all depots

We have inspected all depots to understand:

- Location
- Relationship to neighbouring uses
- Size
- Condition
- Current utilisation – uses and density
- Potential for alternative uses

We have procured high level cost estimates for:

- Putting existing structures into good condition
- Maintaining structures over a 30 year period
- Providing with more cost-effective and flexible facilities based on a contract structure where the contractor is able to self-provide modular buildings and storage facilities on LBB land)

Options Appraisal

The primary objective is to determine the optimum provision of depots by the Council to support the operation of the new contract.

We have used the following criteria in assessing each depot:

- Geographical location – is the property well located to support a borough-wide service?
- Suitability of site/buildings for intended purpose – size, shape, existing buildings?
- Cost of retaining the current facilities.
- Scope for cost-savings by re-providing new facilities on the site.
- Existing uses and ease of re-provision – planning policy, public impact, highways.
- Alternative use potential and potential capital generation.

Create Strategy

We have categorised depots into the following groups:

1. Core Main depots which are needed to support the provision of the service.
2. Local depot provision to serve specific sites
3. Depots which provide a Borough wide service but are not used on a daily basis.
4. Depots which are surplus to need and which have a higher value potential, subject to planning permission and other consents.
5. Depots which are surplus to need and which do not have a higher value potential.

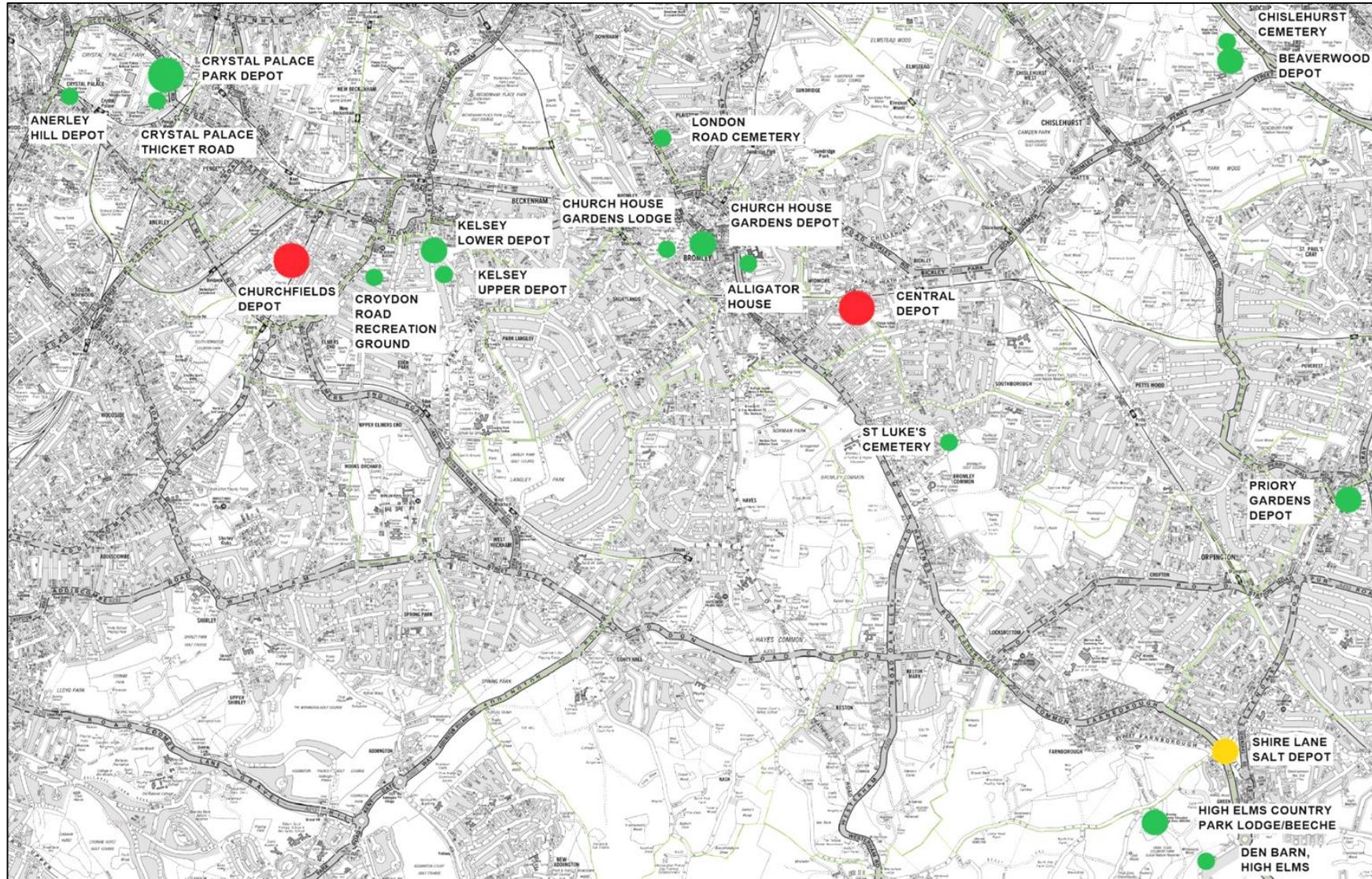
4.0 EXISTING PROVISION

4.1 Summary

DEPOT	Location	CURRENT OPERATIONS
Central Depot	Bromley	WTS. HWRC. Street Cleansing, Winter Services, Passenger transport.
Churchfields Depot	Beckenham	WTS. HWRC.
Crystal Palace Park Depot	Crystal Palace	GM – Core Hub. Serving principally Crystal Palace Park
Anerley Hill Depot, Crystal Palace Park	Crystal Palace	GM – Site Specific provision for green recycling only
Thicket Road, Crystal Palace Park	Crystal Palace	GM – Site Specific as offices
Kelsey Park Lower Depot	Beckenham	GM – Secondary Hub
Priory Gardens Depot	Orpington	GM – Secondary Hub
Beaverwood Depot	Orpington	GM – Secondary Hub
Church House Gardens Depot	Bromley	GM – Secondary Hub providing bi-annual storage for distribution of bedding plants
High Elms Country Park Lodge/BEECHE	Orpington	GM – Secondary Hub
Alligator House, Civic Centre	Bromley	GM – Site Specific
Chislehurst Cemetery	Chislehurst	GM – Site Specific
Church House Gardens Lodge	Bromley	GM – Site Specific
Croydon Road Recreation Ground	Beckenham	GM – Site Specific
Den Barn, High Elms	Orpington	GM – Site Specific
Kelsey Park Upper Depot	Beckenham	GM – Site Specific
London Road Cemetery	Bromley	GM – Site Specific
St Luke's Cemetery	Bromley	GM – Site Specific
Shire Lane, Salt Depot	Orpington	Special Use Hub providing Borough wide rock salt storage.

4.2

Location of existing depots



4.3 Central Depot

Location	Good strategic location, centrally in the Borough.
Site Area	8.91 acres c.
Current Utilisation	<p>WTS - Collection and Transfer. Domestic; Wheelie bin storage; Transport workshop HWRC Street cleansing Passenger Transport Services Winter Services/Gritting. Emergency response</p> <ul style="list-style-type: none"> • There are two blocks of single storey offices. The upper block has been refurbished and houses the Environmental and Community Services. The lower block is in a poor state of repair and used by the waste contractor for mess rooms. • The retaining wall along the western boundary is in need of reconstruction and we understand that this work is in hand. Reconstruction will necessitate the demolition of the sheds along the full length and these will not be replaced. • A survey of the condition of the hardstanding surfaces across the site has recently been commissioned.
Lease	<ol style="list-style-type: none"> 1) Lease of part of Annexe to Greenwich Service Limited for a term expiring 31.08.2021 @ £26,000 per annum plus % of running costs. Contracted outside the 54 LL&T Act. LL break clause 31.08.2019 2) Lease of part of Annexe to Kier Services Limited for a term expiring 28.03.2019 @ £147,500 per annum plus % of running costs.
Potential Value Add	<ul style="list-style-type: none"> • This is the Council's principle depot with Waste collection, transfer and street cleansing located together. • It is well located in the centre of the Borough. • There is potential to increase utilization.
Planning	No specific designation.
Current Estimated Maintenance Cost	£2,060,000 excluding compliance and existing Capital Works Programme
CapEx + Maintenance Cost Proposed	£2,060,000 excluding compliance and existing Capital Works Programme
Potential Gross Capital Receipt	N/A



4.4 Churchfields Road Depot

Location	Well located to serve this side of the Borough and to pick up the mobile GM operations that will be displaced if Crystal Palace Park is transferred to a Trust.
Site Area	2.34 acres c.
Current Utilisation	<ul style="list-style-type: none"> • WTS – Risk of EA requiring compliance works (unquantified) • HWRC – Risk of EA requiring compliance works (unquantified) • Parking of 6-8 refuse trucks • Large part of the site is under-utilized. • Buffer zone between the site and the school.
Lease	No agreement seen
Potential Value Add	<ul style="list-style-type: none"> • WTS and HWRC usage can be rationalised to circa 1 acre which will free up to 1.3 acres for other depot uses, offering scope for the creation of a Main Depot for GM. • There are various dilapidated and redundant buildings on the site which will need to be removed to facilitate this. There is a modular office which could be retained and used by the contractor. • The acquisition of the National Grid site to the rear (currently for sale) might enable the relocation of all depot operations including a new GM depot which would release the entirety of the site for residential development. • The release of part of the site for residential development is not a realistic option.
Planning	Planning - No designation.
Current Estimated Maintenance Cost	£310,000
CapEx + Maintenance Cost Proposed	£500,000
Potential Gross Capital Receipt	£4.0 million with implementable full planning permission for residential use. Only realisable if depot use is transferred to NG site, less acquisition and depot relocation costs.



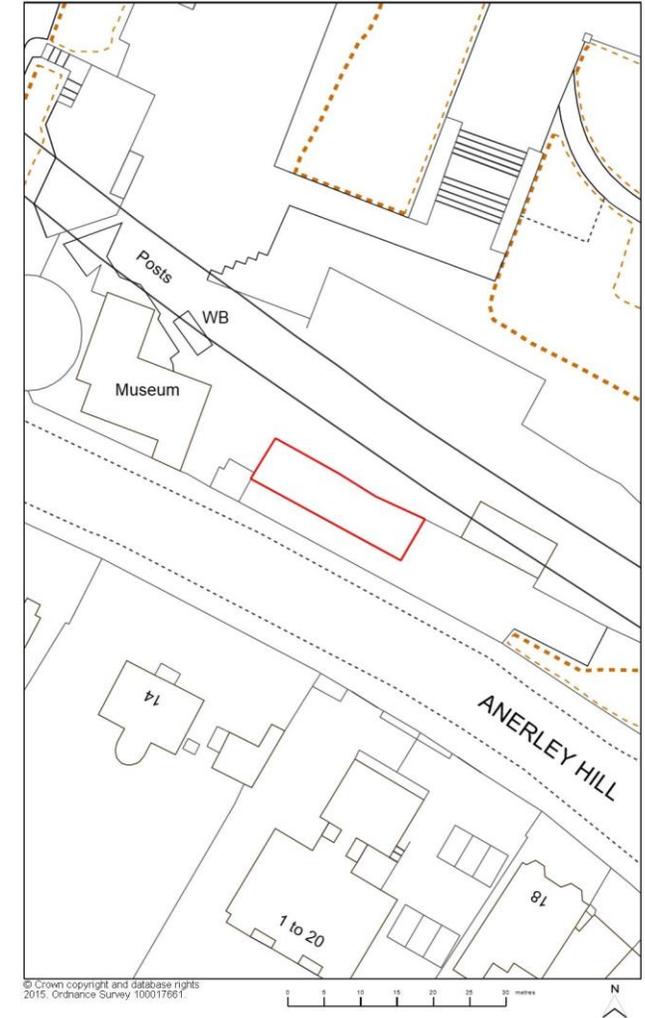
4.5 Crystal Palace Park Depot

Location	Located on the edge of Crystal Palace Park
Site Area	0.37 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM • A purpose built depot comprising an industrial building with offices to the rear and a small yard area to the front and side. • The offices are not occupied and this is reportedly because of poor heat insulation.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £1,758.33 per month. Only part of the building is included in the tenancy (3rd bay and part of offices excluded. Other rear office and yard areas shared).
Potential Value Add	<ul style="list-style-type: none"> • There is a proposal being considered to transfer the running of the park to a Trust and if this happens this depot will transfer to the Trust and the Council will have no further involvement. • Given its position on the edge of the park the site offers the potential for alternative use as residential.
Planning (Falls into the general designations of the park)	Appendix III Appendix IV Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy
Current Estimated Maintenance Cost	£40,000
CapEx + Maintenance Cost Proposed	Excluded due to anticipated transfer to Trust
Potential Gross Capital Receipt	N/A



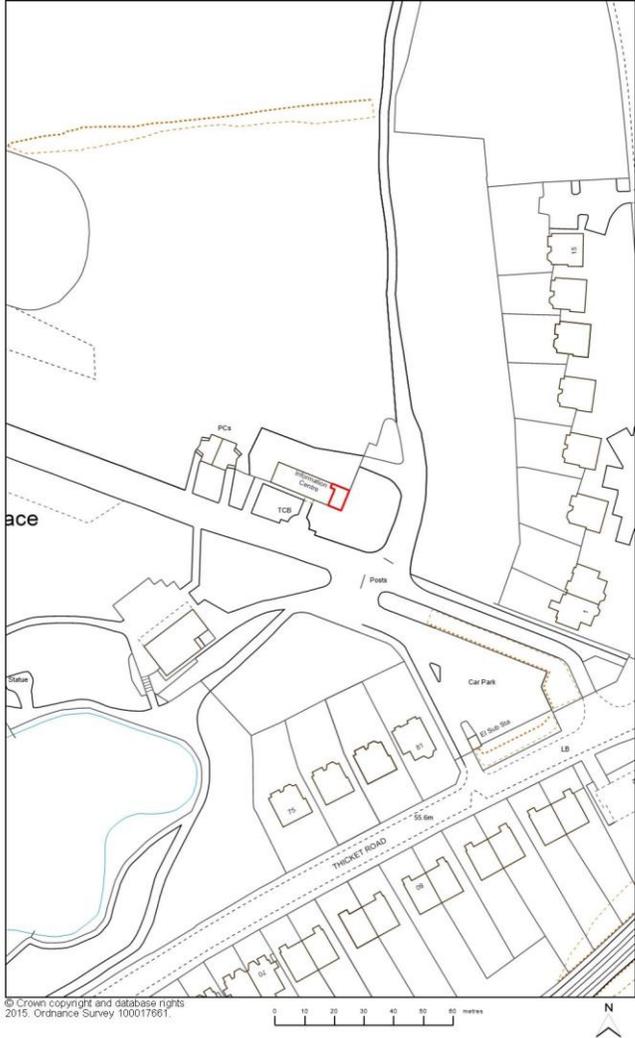
4.6 Anerley Hill Depot, Crystal Palace Park

Location	Located on the edge of Crystal Palace Park
Site Area	0.23 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Green recycling only • Located on the western end of the park. • Risk that the depot is not be compliant with EA standards. • There is a disused building at the back of the compost heap, the use of which is not known and there are a number of old sea containers lined up at the side of the site which need removing
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £94.17 per month
Potential Value Add	<ul style="list-style-type: none"> • There is a proposal being considered to transfer the running of the park to a Trust and if this happens this depot will transfer to the Trust and the Council will have no further involvement. • Given its position on the edge of the park the site offers the potential for alternative use as residential.
Planning (Falls into the general designations of the park)	Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy BE16 Metropolitan Open Land Policy G2
Current Estimated Maintenance Cost	£140,000
CapEx + Maintenance Cost Proposed	Excluded due to anticipated transfer to Trust
Potential Gross Capital Receipt	N/A.



4.7 Thicket Road Offices, Crystal Palace Park

Location	Located within Crystal Palace Park
Site Area	0.19 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Site specific use as offices. • Located inside the park. • Temporary type buildings in poor condition and not fit for purpose. No case for substantial reinvestment in the existing structure. Demolition recommended. • Part of the building is occupied by a Friend's of the Park group, which will be displaced if the building is taken out of use/removed. If the building is to be demolished new accommodation will need to be identified for the Friends Group.
Lease	<ul style="list-style-type: none"> • Tenancy at Will to English Landscapes Maintenance Limited at £147.50 per month. • We have not had sight of any agreement with the Friends group
Potential Value Add	<ul style="list-style-type: none"> • There is a proposal being considered to transfer the running of the park to a Trust and if this happens this depot will transfer to the Trust and the Council will have no further involvement. • Given its position within the park the site offers no potential for alternative use.
Planning	<p>Appendix III Appendix IV Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy BE16 Metropolitan Open Land Policy G2 Development and Nature Conservation Sites Policy NE2</p>
Current Estimated Maintenance Cost	£244,000
CapEx + Maintenance Cost Proposed	Excluded due to anticipated transfer to Trust
Potential Gross Capital Receipt	N/A



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4.8 Kelsey Park Lower Depot

Location	Located close to Churchfields Road depot and can be used jointly as a main GM depot.
Site Area	0.4 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM including vehicle storage and green re-cycling. • Maintenance of playground equipment. • Access by heavy goods vehicles and heavy plant is difficult. • Comprises an open yard area which is not made up • Mix of sheds and garages which are used for the storage of plant and equipment. Some can be repaired and some are beyond economic use where it would be prudent for the Council to demolish and replace these with a concrete base to enable The contractor to supply his own modular buildings/storage containers.
Lease	<ul style="list-style-type: none"> • Tenancy at Will to English Landscapes Maintenance Limited at £783.33 per month. Not all buildings included in the demise and access only on yard area. • Part separately leased out to a contractor dealing with the repair of playground equipment.
Potential Value Add	<ul style="list-style-type: none"> • Intensification of depot use • Potential alternative use as residential cul-de-sac - but unlikely to be granted planning permission, on account of its position within the park boundary.
Planning	<p>Appendix III Conservation Areas Policy BE11 Urban Open Space Policy G8 Development and Nature Conservation Sites Policy NE2</p>
Current Estimated Maintenance Cost	£400,000
CapEx + Maintenance Cost Proposed	£500,000 (concrete slab and hardstanding)
Potential Gross Capital Receipt	N/A



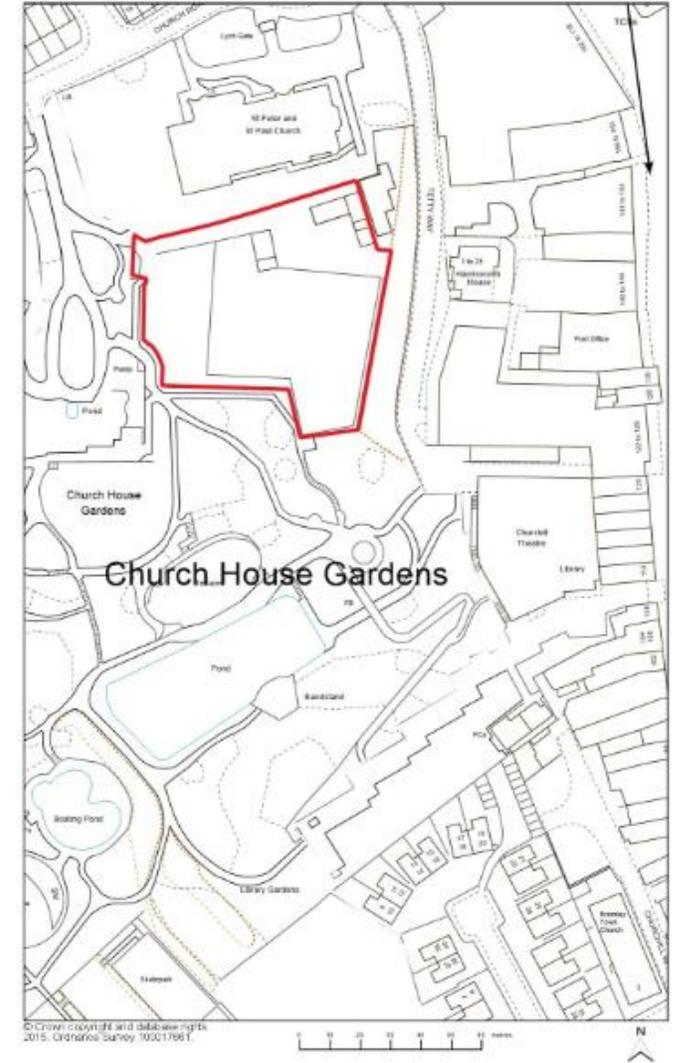
4.10 Beaverwood Depot

Location	Located on the edge of the Borough in the far north-east. In a pleasant location bordered by a cemetery, recreation ground and school.
Site Area	1.77 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM - Secondary site used for tools maintenance and green recycling. • Comprises a former stables buildings (locally listed) together with a short terrace of small industrial units, outbuildings and yards. • The stable buildings were until recently used for the storage of street lights under the contract awarded to Kier and these have recently been vacated. The buildings are in poor condition. • The industrial units and the brick building are used for the storage and maintenance of GM plant and are in poor condition and the sheds that sit between the depot and cemetery are not used. • The rear yard is in a poor state of repair and part used for green recycling and many items of disused plant and equipment have been deposited.
Lease	<ul style="list-style-type: none"> • Tenancy at Will to The Landscape Group Limited. Rent not known.
Potential Value Add	<ul style="list-style-type: none"> • The site has residential development potential. • Removing the locally-listed status should be considered. • There may be an opportunity to incorporate the chapel and depot buildings at Chislehurst Cemetery into a development scheme which should be explored if Beaverwood comes forward for residential. The locally listed buildings are in a very dilapidated state and private investment would help secure their future.
Planning	Conservation Areas Policy BE11 The Green belt Policy G1
Current Estimated Maintenance Cost	£400,000
CapEx + Maintenance Cost Proposed	0 – Released
Potential Gross Capital Receipt	£2 million, subject to planning permission.



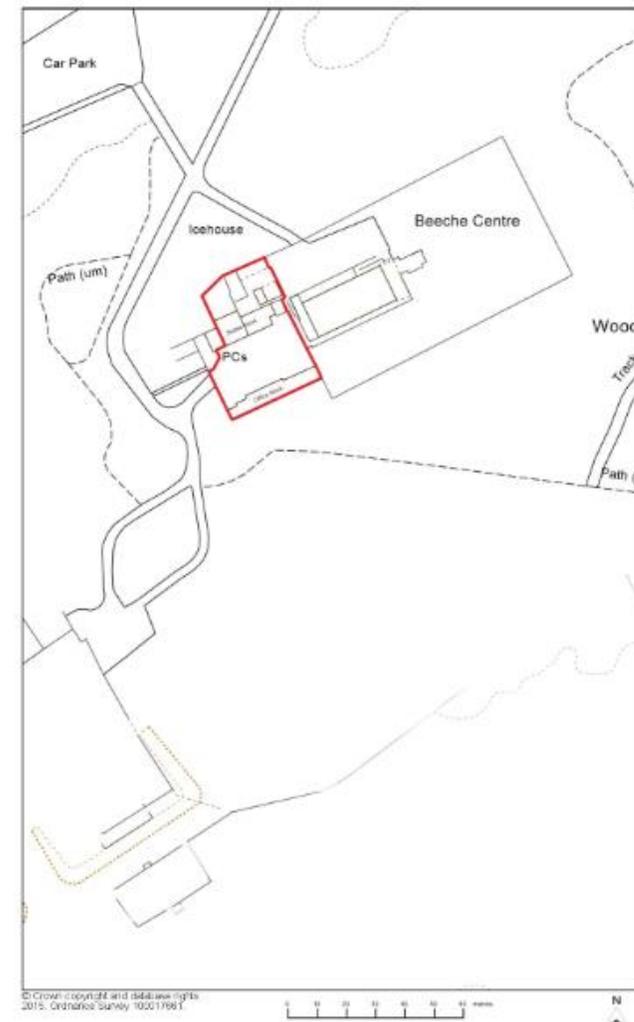
4.11 Church House Gardens Depot

Location	Located in Bromley Town centre within Church House Gardens.
Site Area	1.12 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Seasonal use for the bi-annual storage of plants. • The property comprises mainly clear open land, partly laid to tarmac and in poor condition with a 'hosed' irrigation system. • There are a number of buildings which are used for storage and a car park used by library services. • The property is used only twice per year by GM for the storage and distribution of plants around the borough. At other times the depot is vacant. • The need to retain this facility on such a potentially high value site can either be eliminated, by delivering bedding plants direct to the planting sites, or, if retained, it can be relocated to the GM Main Depot at Churchfields Road/Kelsey Park Lower.
Lease	Tenancy at Will to English Landscapes Group Limited at £1,083.33 per month. The tenancy only demises the buildings with access only over open areas.
Potential Value Add	The site has residential development potential.
Planning	Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy BE16 Urban Open Space Policy G8
Current Estimated Maintenance Cost	£210,000
CapEx + Maintenance Cost Proposed	0 - Released
Potential Gross Capital Receipt	£2.5 million, subject to planning permission.



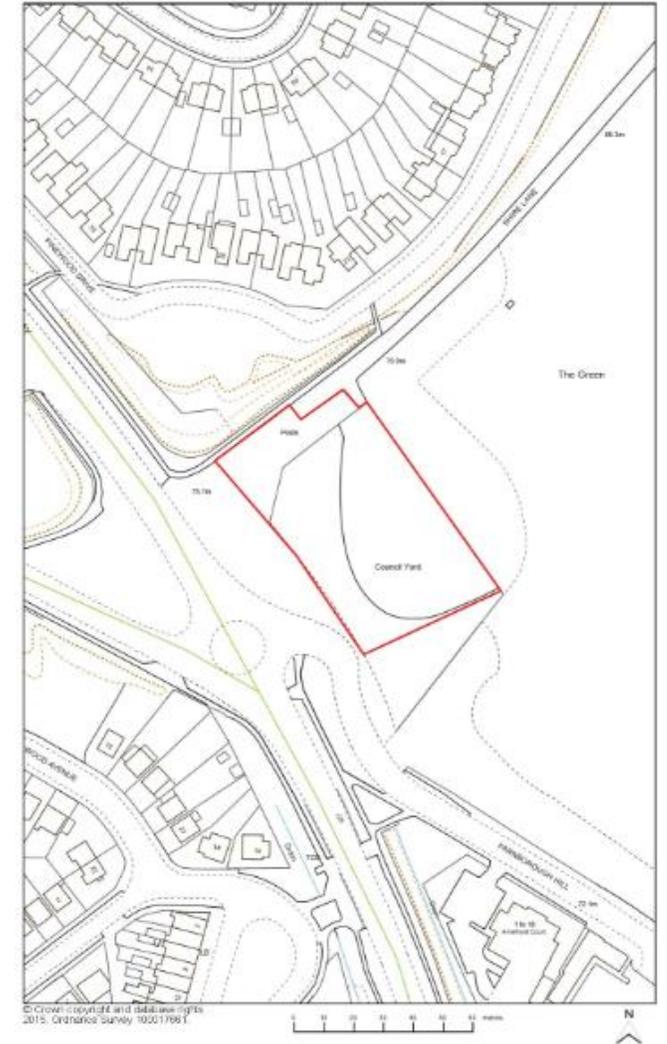
4.12 High Elms Country Park Lodge

Location	Located within High Elms Country Park
Site Area	0.34 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Grass cutting service for the south east of the Borough & the Country Parks Team. • Comprises former lodge buildings arranged around a central courtyard. The park public conveniences are located within the complex of buildings. • The buildings are currently used as offices and the courtyard is used for vehicle parking at night (approximately 12) • The property is in a generally poor state of repair, although works appear to have been carried out to the ground floor of the Country Parks building. • Attached to the building is a Grade 2 listed Eton Fives Court. • Given the age and condition of the building the ongoing maintenance cost to the Council will be high and likely to be disproportionate relative to the number of staff based there. • The Friends of High Elms have a storage area to the rear which would need to be provided. • The Bromley Environmental Education Centre at High Elms (BEECHE) is adjacent.
Lease	No agreement provided.
Potential Value Add	Potential for residential conversion.
Planning	The Green Belt Policy G1 Development and Nature Conservation Sites Policy NE2 World Heritage Site Policy NE6
Current Estimated Maintenance Cost	£415,000
CapEx + Maintenance Cost Proposed	0 – Released The BEECHE Centre should be retained as an Educational facility and the costs associated with this remain the same at £50,000.
Potential Gross Capital Receipt	£1 million, subject to planning permission.



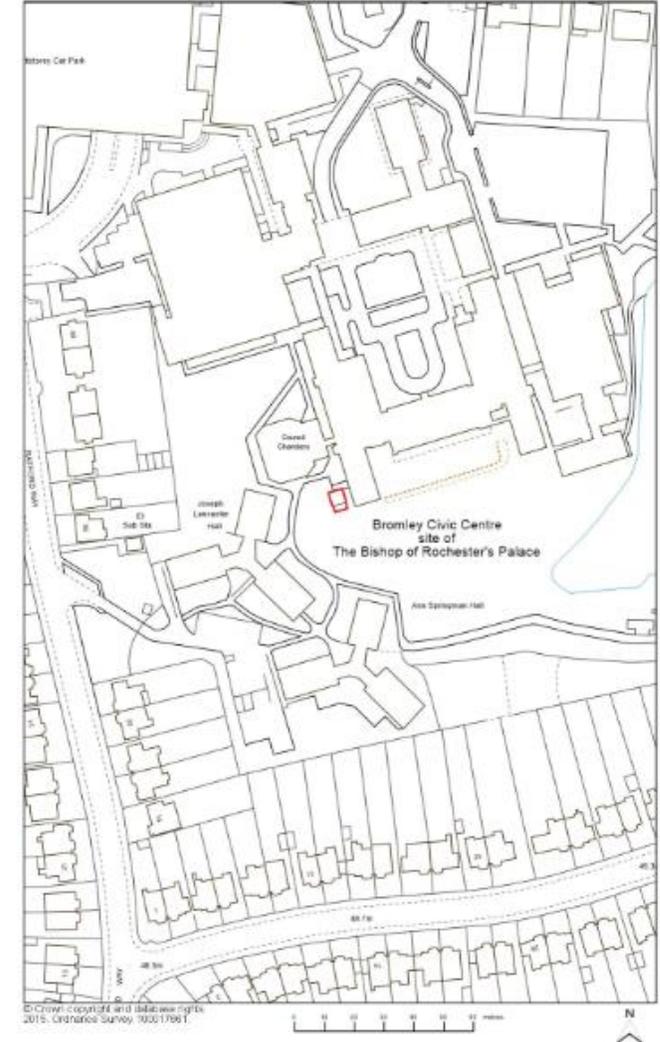
4.13 Shire Lane Depot

Location	Located to the south of the Borough
Site Area	0.7 acres c
Current Utilisation	<ul style="list-style-type: none"> • Winter Services • Open storage depot used for the storage of rock salt as contingency for extreme weather conditions. • This facility will be retained and will operate in conjunction with Central Depot
Lease	No agreement provided.
Potential Value Add	<ul style="list-style-type: none"> • Intensification of use – if it is possible to release space through stacking or volume reduction it may be possible to develop other activities depot/parking facilities. • Residential - The depot is surrounded by housing and if the requirement for salt storage on this scale ceases the site may have potential for change of use to residential or commercial use.
Planning	Urban Space Policy G8
Current Estimated Maintenance Cost	£25,000
CapEx + Maintenance Cost Proposed	£25,000
Potential Gross Capital Receipt	N/A



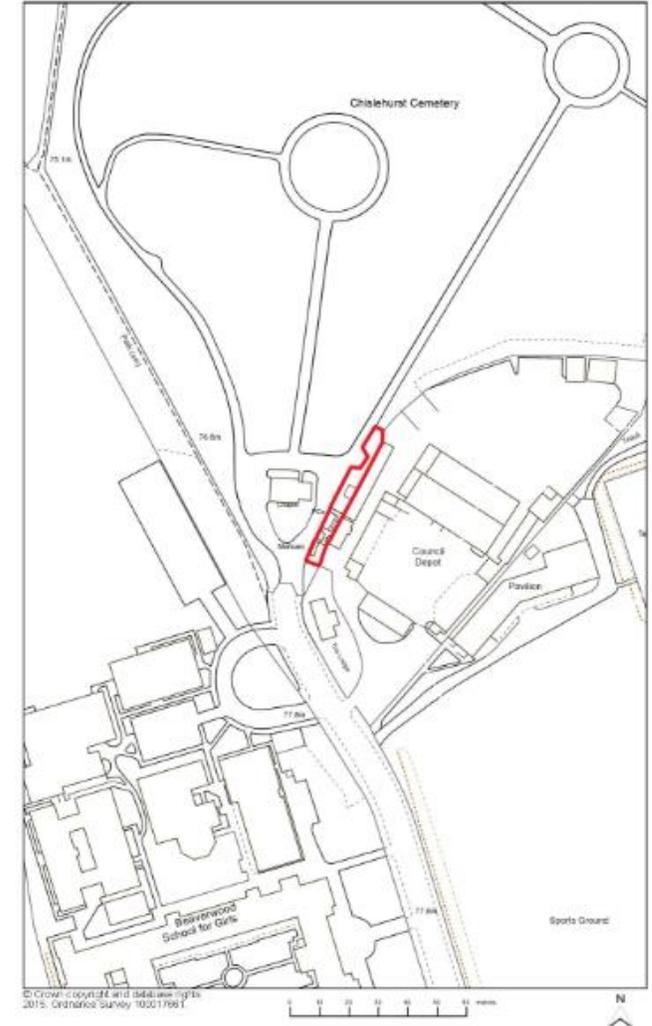
4.14 Alligator House, Civic Centre

Location	Located within the Civic Centre site.
Site Area	Nominal
Current Utilisation	<ul style="list-style-type: none"> • GM - Site specific office exclusively servicing the open land and gardens around the Civic Centre. • Comprises a small brick building and glass conservatory which is attached to the corner of the west wing of the Palace and used as offices.
Lease	None provided
Potential Value Add	<ul style="list-style-type: none"> • In isolation the building has no alternative use potential. • There is a proposal to rationalise the use of the Civic Centre site and release the surplus land as a residential development opportunity. The Palace and this office sits within the part to be sold.
Planning	No specific designation - offices
Current Estimated Maintenance Cost	0
CapEx + Maintenance Cost Proposed	0
Potential Gross Capital Receipt	Not specific. Part of Civic Centre strategy.



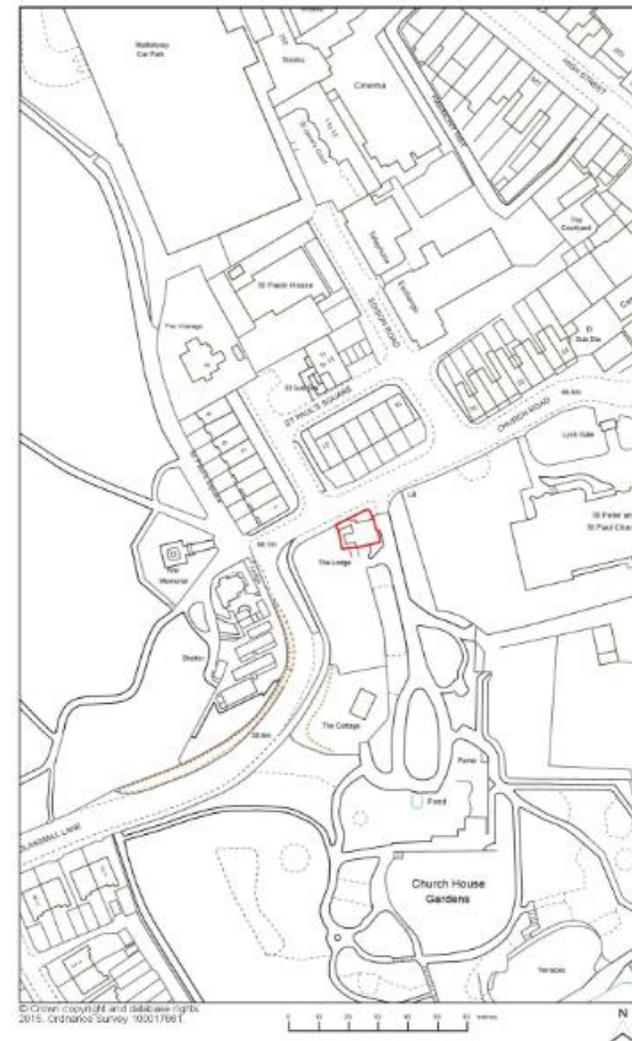
4.15 Chislehurst Cemetery Depot

Location	Located on the edge of Chislehurst Cemetery
Site Area	0.14 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM - Site specific depot exclusively servicing the cemetery. • The depot sits within the cemetery on the boundary with Beaverwood Depot. • Comprises two small brick buildings used as an office/mess room and as a tool store together with a small compound for excavations. • There is a separate public WC block. • The nearby chapel is rarely used.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £183.33 per month.
Potential Value Add	<ul style="list-style-type: none"> • The facilities are generally fit for purpose and retention is required to support the cemetery service • There is no alternative use potential for the buildings in isolation. The buildings sit on the boundary with Beaverwood Depot and in the event that this comes forward as a residential development opportunity the feasibility and viability of including the depot buildings and the WC block. • The sale of the chapel as a residential opportunity should be investigated. • In such event the depot facilities could be re-provided elsewhere in the cemetery as a compound and concrete slab for the contractor to place a sea container.
Planning	Appendix III; Conservation Areas Policy BE11 The Green Belt Policy G1
Current Estimated Maintenance Cost	£100,000
CapEx + Maintenance Cost Proposed	£100,000
Potential Gross Capital Receipt	N/A



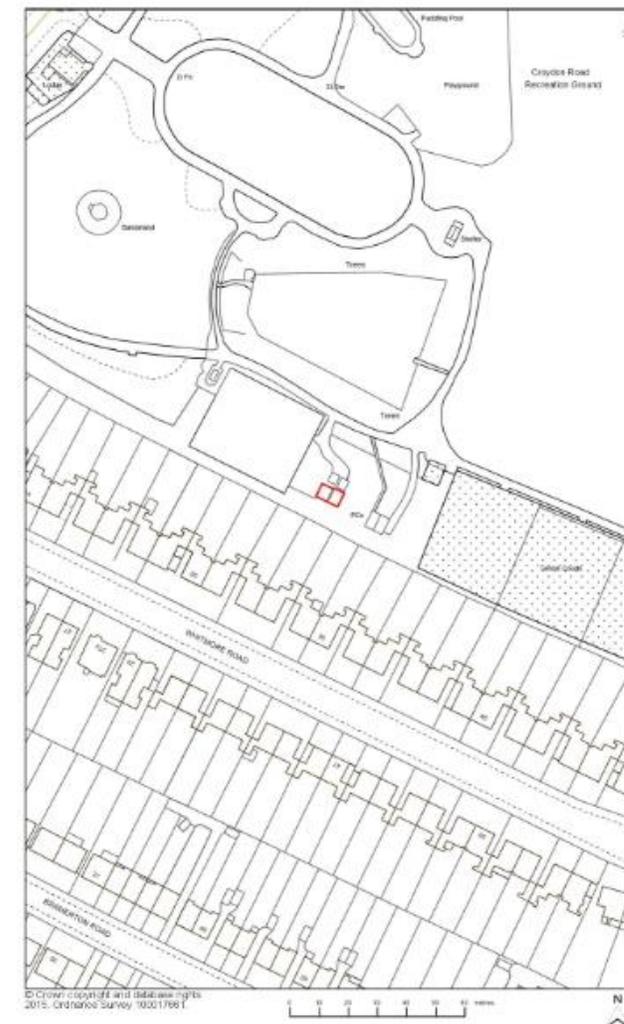
4.16 Church House Gardens Lodge

Location	Located at the northern entrance to Church House Gardens within the park.
Site Area	0.3 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Site specific depot used for offices. • Comprises a small security lodge used as an office. • Not fit for purpose as offices. In poor condition internally and comprising a series of very small rooms.
Lease	No agreement provided.
Potential Value Add	<ul style="list-style-type: none"> • Potential to change the use to residential. • As the property is so small a surrounding area would allow a purchaser to extend and would provide some private garden, which would increase the potential receipt. • The property should be considered together with Church House Gardens Depot. The access road leading to the bigger opportunity may need widening to accommodate two car widths, in which case, it might be necessary to demolish the lodge.
Planning	<p>Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy BE16 Urban Open Space Policy G8 Development and Nature Conservation Sites Policy NE2</p>
Current Estimated Maintenance Cost	£210,000
CapEx + Maintenance Cost Proposed	0 - Released
Potential Gross Capital Receipt	£200,000, subject to planning permission.



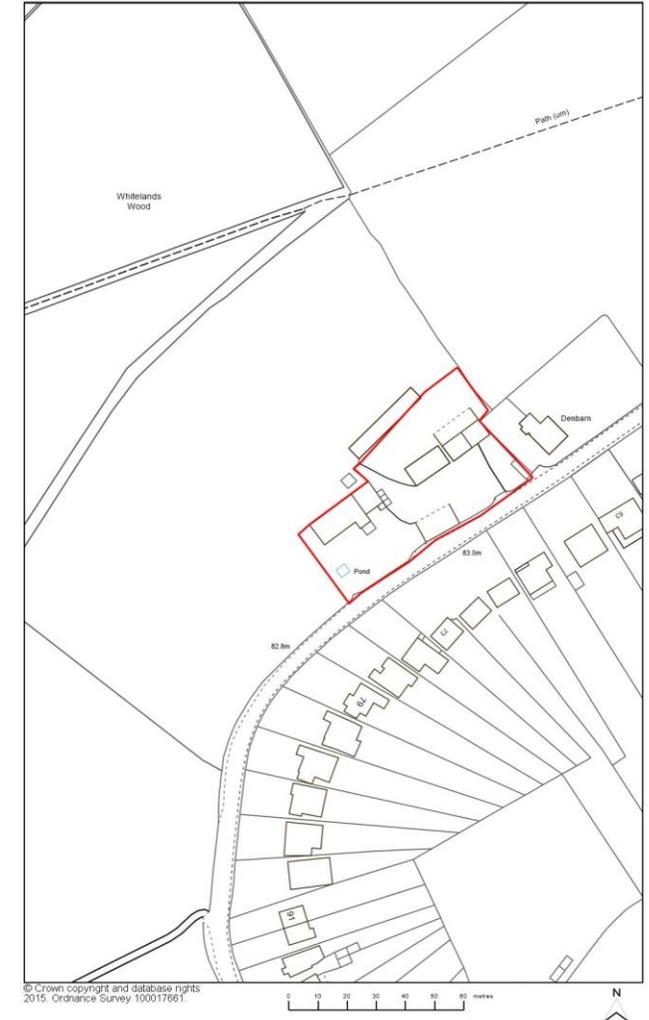
4.17 Croydon Road Recreation Ground

Location	Located within Croydon Road Recreation Ground
Site Area	Nominal
Current Utilisation	<ul style="list-style-type: none"> • GM - Site specific depot exclusively servicing the park. • Comprises two very dilapidated sheds which are used for the storage of small tools and an office. • Both buildings are not fit for purpose and beyond economic repair and should be replaced with a slab to enable the contractor to provide a sea container.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £141.66 per month. Area used does not exactly align with area leased.
Potential Value Add	None
Planning	Open Space
Current Estimated Maintenance Cost	£55,000
CapEx + Maintenance Cost Proposed	£55,000 – The existing buildings need to be removed and replaced with a concrete slab in both scenarios.
Potential Gross Capital Receipt	N/A



4.18 Denbarn, High Elms Country Park

Location	Located on Cudham Lane North on the east of Elms Park on the edge of open countryside.
Site Area	0.94 acres c.
Current Utilisation	<ul style="list-style-type: none"> • GM – Used for the storage of equipment • Comprises two barns both of which are in poor condition. • Both barn buildings and the smaller building to the front of the site are Statutory Listed Grade 2 under the listing name 'Denbarn Farmhouse'.
Lease	None
Potential Value Add	<ul style="list-style-type: none"> • The site is very well located as a residential opportunity and if it could be released from the Green Belt it would command a high price. • The listed status of the buildings would detract from the sale price and we have assumed that both could be converted to dwellings with 1 or 2 additional houses on the site. • Alternative provision for the storage of equipment will need to be made on a plot of land with no value potential.
Planning	Green Belt
Current Estimated Maintenance Cost	£135,000
CapEx + Maintenance Cost Proposed	£20,000 – Cost of providing alternative storage (concrete slab)
Potential Gross Capital Receipt	£3.5 million subject to planning permission for conversion of the 2 barns to residential plus 2 additional houses on the site.



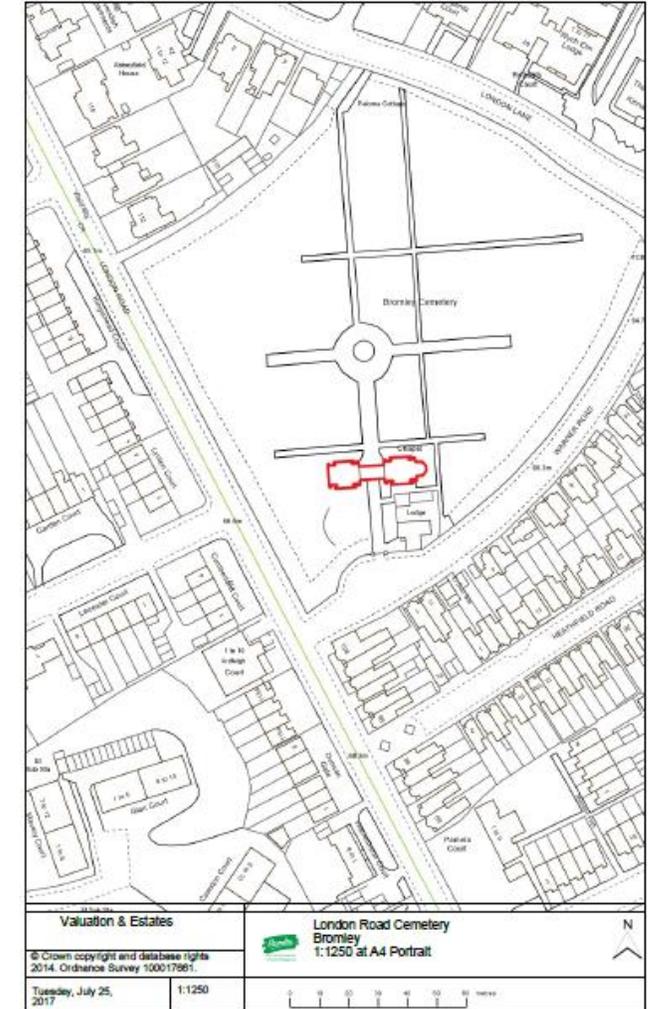
4.19 Kelsey Park Upper Depot

Location	Located within the park and not accessible when the park is closed. Close to Kelsey Park Lower Depot
Site Area	0.2 acres c
Current Utilisation	<ul style="list-style-type: none"> • GM – Site specific use. • Comprises an open yard with a range of very dilapidated timber sheds, buildings and sea containers. The yard which appears to be a dumping ground. • The Friends building is adjacent (converted toilet block) and they also have a portacabin store near entrance. • There is a derelict former children's toilet block to the left of the entrance. • The property is occupied by a GM sub-contractor which appears to be a historical arrangement. • It appears that the sub-contractor is using the site as a base from which to service other customers.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £987.50 per month. This is not the actual occupier the premises.
Potential Value Add	None. Given its position within the park the most likely alternative is to re-incorporate the land into the public areas of the park.
Planning	Appendix III Appendix IV Conservation Areas Policy BE11 Ancient Monuments and Archaeology Policy BE16 Metropolitan Open Land Policy G2 Development and Nature Conservation Sites Policy NE2
Current Estimated Maintenance Cost	£220,000
CapEx + Maintenance Cost Proposed	£55,000 – demolition of existing structures.
Potential Gross Capital Receipt	N/A



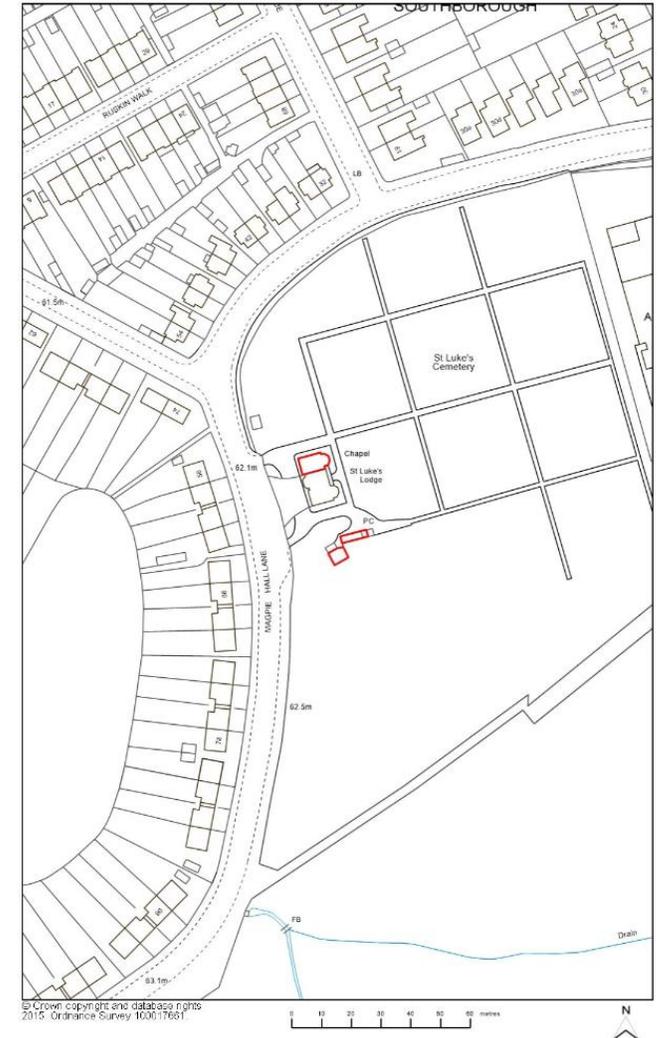
4.20 London Road Cemetery Chapel

Location	Located within London Road Cemetery close to the entrance
Site Area	0.1 acres c.
Current Utilisation	<ul style="list-style-type: none"> • GM - Site specific depot exclusively servicing the cemetery. • Comprises two chapels located near the entrance and connected by an arch. • Located within the cemetery set back from the main gate. • One of the chapels is being used as a store for tools. The size of provision and the maintenance costs associated with using such a building as a tool store is disproportionate and the facilities could more effectively be provided through the installation of a concrete slab for the contractor to site a sea container. • The second chapel, which is still operates as the Cemetery Chapel, is rarely used.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £312.50 per month.
Potential Value Add	<ul style="list-style-type: none"> • The former chapel has potential for change of use to residential and the Council is forgoing a potential capital receipt from the sale of the property as a residential opportunity. • The former cemetery building on the opposite side of the entrance appears to have been sold for use as a private residence previously. • It would be preferable to provide a small amount of additional land as a garden and the inclusion of the land to the right of the entrance may allow a separate entrance to be created. Scope for this is limited by the close proximity of graves.
Planning	Urban Open Space Policy G8
Current Estimated Maintenance Cost	£500,000 for both chapels
CapEx + Maintenance Cost Proposed	£10,000 for the provision of hardstanding.
Potential Gross Capital Receipt	£500,000 both chapels, subject to planning permission.



4.21 St Luke's Cemetery Depot & Chapel

Location	Located within St Luke's Cemetery close to the entrance
Site Area	Nominal
Current Utilisation	<ul style="list-style-type: none"> • GM - Site specific depot exclusively servicing the cemetery. • Comprises a small brick building used for storage of tools and equipment with a compound for excavations and attached to the cemetery WC block.
Lease	Tenancy at Will to English Landscapes Maintenance Limited at £183.33 per month.
Potential Value Add	<p>The facilities are generally fit for purpose and retention is required to support the cemetery service</p> <p>There is no alternative use potential for the depot buildings.</p> <p>There is a cemetery chapel adjoining another former cemetery building which appears to now be in private ownership and used as a house. It is understood that the building is no longer used as a chapel.</p> <p>This building has the potential for change of use to residential and the receipt would be enhanced by the inclusion of additional area as garden or to enable an extension. An option is to include the adjacent roadway, subject to the other entrance gate being suitable for access by funeral corteges (the angle of approach from the main road may need to be altered).</p>
Planning	The Green Belt Policy G1
Current Estimated Maintenance Cost	£90,000
CapEx + Maintenance Cost Proposed	£90,000
Potential Gross Capital Receipt	£250,000 Former Chapel, subject to planning permission.



5.0 DEPOT STRATEGY

5.1 Waste Transfer

Waste Transfer Stations are located at two depot sites at Central Depot and at Churchfields Road and these satisfactorily serve the entirety of the Borough.

The Council is not required to provide two WTS and it is beyond the remit of this report to assess the implications of either reducing or of increasing the total number of WTS serving the Borough. We have assumed that there is no need for fundamental change. In any case, relocating or procuring new WTS facilities is a complex process involving lengthy public consultations and planning permission and it is highly unlikely that this could be done in advance of the RFP date.

The WTS facilities at both sites are outdated and there is a high risk that significant financial investment will be required at some point during the new 8 + 8 year contract to either upgrade the existing structures or to construct a completely new facility.

A separate condition survey has been commissioned to establish the condition of the depot and this will feed into this report when completed. At this stage, this report does not include any costs associated with the replacement or upgrading of these facilities or major works generally.

Nevertheless, the strategy does take into account the risks associated with the implementation of such works, both in providing sufficient flexibility and in the investment strategy.

At Churchfields Road there is a potential opportunity to acquire the land to the rear of the site, currently in the ownership of National Grid (NG) and which was previously used for power generation. We understand that there have been discussions around this proposal for many years and initial discussions would indicate that achieving a viable solution may be challenging due to the cost of remediation and providing a new WTS and HWRC.

We recommend discussions continue as a separate workstream. We expect negotiations to be protracted and that this will not impact the RFP.

5.2 HWRC

There are two HWRC's at Central Depot and Churchfields Road depot and, operationally, it is logical that these are positioned, alongside the WTS. The facilities satisfactorily serve the entirety of the Borough and these will be retained.

There is no identified need for additional facilities and a reduction in the number of HWRC facilities carries the risk that significant cross-borough traffic will be generated and/or that recycling rates will decline. Both sites already cause significant queuing at peak times.

There is a risk that significant financial investment will be required at both sites during the new 16 year contract to update existing facilities to comply with Environment Agency standards. It is not within the remit of this report to assess the extent or associated cost of the works that would be required to make the sites compliant with current regulations and, again, the strategy takes into account the risks associated with the implementation of such works.

5.3 Grounds Maintenance

a) General

The existing network of GM depots has 'evolved' over time and the grounds maintenance contract is currently over-supplied with a total of 20 depots, comprising 4 main depots, 6 secondary depots and 10 site specific serving parks and cemeteries. The result is that the service has become dissipated with many depots being substantially under-utilised.

Furthermore, there has been a lack of financial investment in the existing stock of buildings and grounds. Very few are purpose built. The majority of buildings were originally constructed for another purpose and include historic buildings, former garages, temporary modular buildings and timber sheds. Many depots are no longer fit for purpose and would require replacement if their use is to continue. Many are poorly located strategically.

The infrastructure required to support the GM service can be rationalised into a two-tier network based on the provision of :

- Main Depots in strategic locations across the Borough to act as Core Hubs, supporting the provision of a the full range of services under the new contract including a base for mobile crews, contract administration, tool maintenance and green recycling.
- Site specific provision where necessary for cemeteries and parks.

A proposal to transfer the running of Crystal Palace Park to a Trust is currently under consideration by the Council and if this goes ahead the Council will have no further involvement with the operation of the depots located in the park which are principally used to service the park itself. The strategy set out in this report is formulated on the assumption that the transfer to the Trust will proceed. In the event the transfer to the Trust does not proceed, provision for mobile crews will be re-assessed.

b) Crystal Palace Park

The GM service operates from 3 properties all of which sit within the park:

- Crystal Palace Road depot is a relatively modern building with some vacant and unused offices and a yard.
- A green recycling area at Anerley Hill.
- Thicket Road offices.

Crystal Palace Road Depot services primarily the park and whilst mobile crews operate from the depot its strength is in servicing the park. Anerley Hill and Thicket Road serve exclusively the depot.

In the event that the transfer takes place the mobile crews which currently operate out of the Crystal Palace Road Depot will transfer to the Churchfields Road/Kelsey Park Lower Main GM Depot.

For completeness we have assessed the park buildings on the same basis as the other depots:

- Crystal Palace Depot is generally fit for purpose, being a purpose-built depot comprising an industrial type building with offices to the rear and a small yard area to the front and side. The offices are not occupied and this is reportedly because of poor heat insulation.
- The recycling centre at Anerley Hill comprises principally a yard area which is used for the storage and transfer of green waste. The site is not fit for purpose in that there is no concrete hardstanding or site drainage and as such is not compliant with Environment Agency regulations.
- Thicket Road (also known as The Information Centre) comprises a lightweight temporary style building structure. The building is under-utilised, in a poor state of repair and in our view, unsustainable. We would see no justification for retaining this property in the Environmental Services Contract, given its lack of suitability, condition and cost of repair. We would recommend that the building be demolished and that the GM office functions be transferred to Crystal Palace Depot where investment in recommissioning the offices would be better justified.

Whilst we would recommend that Thicket Road be demolished, a part of the building is occupied by one of the Park's Friend's Groups, which would be displaced and we would expect that the provision of replacement facilities to be a prerequisite of demolition..

Being located on the edge of the park both Crystal Palace Depot and Anerley Hill offer the potential for residential development and we understand that this is being investigated as part of the ongoing dialogue with the Trust. However, at this stage an appraisal of the development potential sits outside the remit of this report and we have not provided estimated sale receipts.

c) Main Depots

To provide sufficient geographical coverage and capacity, there is a need for 3 Main Depots, in the west, centre and east parts of the Borough.

i. Churchfields Road Depot & Kelsey Park Lower Depot

A dual-site solution serving the west of the Borough and comprising Churchfields Road depot, which is currently under-utilised, and Kelsey Park Lower. The depot will provide a base for mobile crews, contract administration, green recycling and the seasonal storage of bedding plants (currently provided at Church House Gardens) .

Churchfields Road depot is well located in the west of the Borough and in the event that Crystal Palace Park is transferred to the Trust, the mobile crews currently operating from Park Depot can be transfer here. Kelsey Road Depot is close by and being located within the park means that it offers very limited alternative use potential.

Churchfields Road currently operates as the Council's WTS and HWRC in the west of the Borough and it is likely that these facilities will need upgrading or replacing completely during the course of the contract. The extent of these works is presently not known and we recommend that a specific study is carried out to investigate the implications of this.

If GM located to the site it will be fully utilised at the time these works are carried out, meaning that there is a risk that WTC and/or HWRC operations might need to be temporarily suspended. To mitigate this risk and to ensure that the Council can continue to maintain the full range of services under the new contract Churchfields Road and Kelsey Park Lower depot will act as a single Main Depot which will provide the flexibility to shift GM operations around and maintain continuity.

The WTS/HWRC activities have spread out to fill the Churchfields Road site and these need to be rationalised to facilitate the creation of the GM Main Depot.

The creation of the GM depot will require the demolition of the unfit and redundant structures on both sites in order to provide the space and utilities to facilitate the installation of modular offices and storage containers. There is an existing provision in the capital budget 2017/8 to create WC facilities at Kelsey Park (c.£60k).

There is a potential opportunity to acquire the land to the rear of the Churchfields Road site from National Grid. This offers the potential to transfer all operations to this site releasing a potential £4-4.5m residential value in the Churchfields site (minus the costs of acquisition and depot reprovion). The relatively low-cost investment strategy for the creation of the new GM depot is designed so as not to jeopardise the business opportunity attached to the relocation option.

ii. Central Depot

The location of Central Depot and the possibility of releasing Annexe B by relocating Passenger Transport service makes this the obvious choice for a depot serving the centre of the Borough. Annexe B is ideally suited with a combination of offices, parking, storage and workshops.

iii. Priory Gardens Depot

Three properties have been considered to service the east & south-east of the Borough – Beaverwood Depot, High Elms Park Depot and Priory Gardens Depot.

- Beaverwood Depot is poorly located at the far north east corner of the Borough and offers poor quality accommodation, including a locally listed former stable block. The repair and maintenance cost of retaining the site is high and even in good condition the space would not be ideally suited to use as a GM depot. It also offers residential development potential.
- High Elms is located in the extreme south east within the country park and offers limited accommodation which is insufficient for a main GM depot. There is also no green recycling. It also has a high maintenance cost. There is an opportunity to change the use to residential and as an existing building this may be easier to realise than a new development.
- Priory Gardens is the best located option and is of sufficient size to accommodate the full range of GM services including green waste recycling. The buildings currently on the site are mainly temporary and easily cleared away and and the cost of laying a new hardstanding will be relatively low. As, the depot is located within the park it will be difficult to release for sale.

d) **Site Specific Provision**

Whilst the three Main Depots will form the backbone of provision, there are instances where local provision is required, most notably in cemeteries where tool storage and a compound for excavated materials is needed. These facilities can be provided in the form of a sea container.

We have identified 4 cases where local provision is required:

- **Chislehurst Cemetery** where there is suitable existing provision in a small brick store and a compound
- **St Luke's Cemetery** where there is suitable existing provision in a small brick store and a compound
- **London Road Cemetery** where a former chapel is currently being used. This is financially inefficient and facilities should be provided by the installation of a concrete slab to enable the contractor to provide his own container.
- **Croydon Road Recreation Ground** where the existing provision is not fit for purpose and should be replaced by a slab with the contractor providing his own sea container.

5.4 **Street Cleansing**

Currently located in Central Depot Annexe A, no changes are intended as the accommodation is well suited.

5.5 **Winter Services**

No changes are proposed. The service is split between Central Depot, which is well located to provide good speed of response and where the gritting lorries are stored and maintained, and the Council's principal salt storage depot at Shire Lane.

Shire Lane is a large site which may offer the opportunity for intensification of use. We have not carried out a study into the amount of surplus space that might be released through the more efficient use of the site and we recommend that this be investigated.

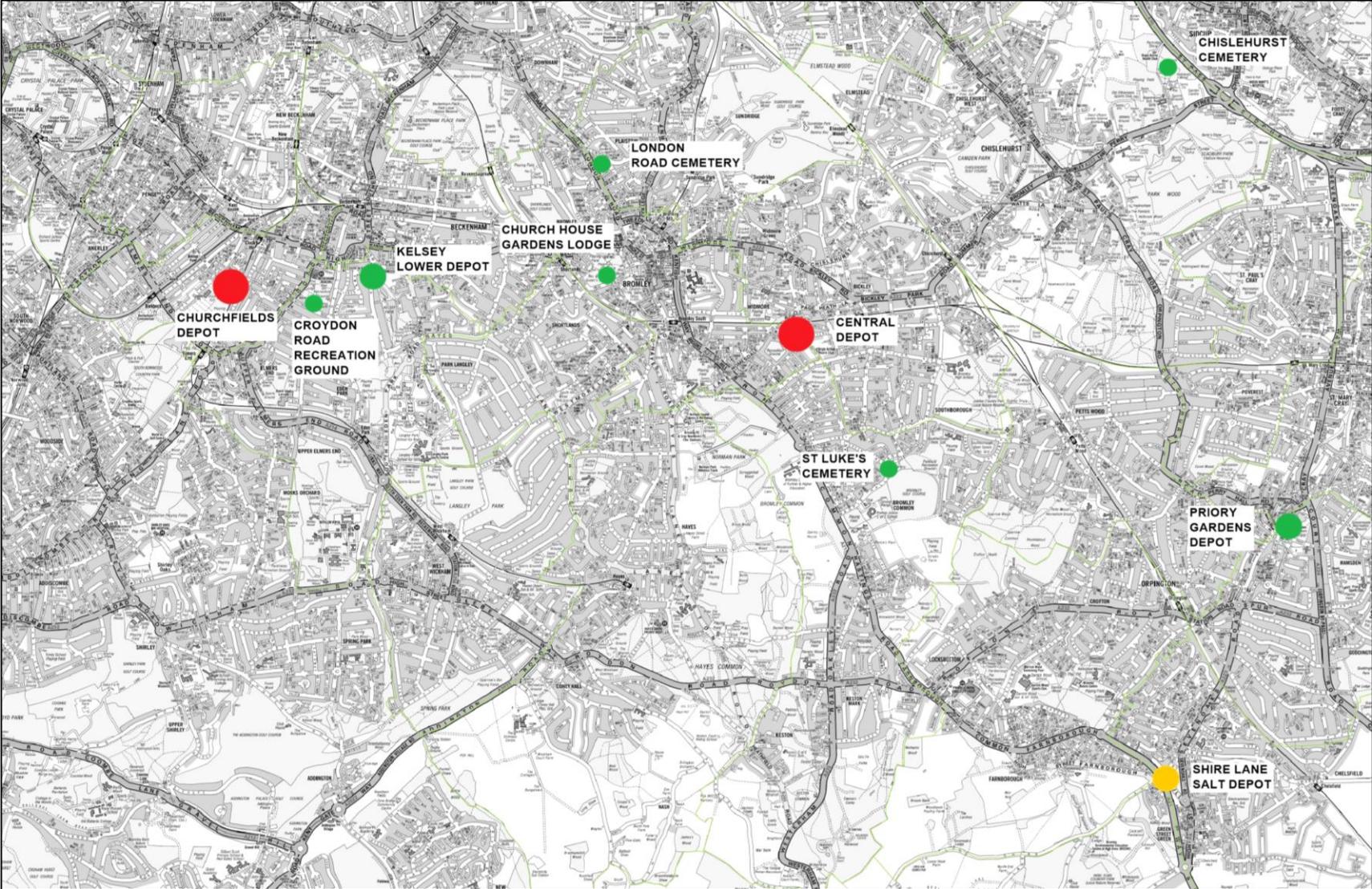
5.6 **Central Depot**

Central depot is used by several other services and there is scope for rationalising and improving space utilisation to improve capacity and efficiency.

- To facilitate the creation of the Central GM Main Depot, Passenger Transport Services will be relocated from the Annex B to the lower existing car park when the existing contract expires in 2019 or 2021.
- The former office/welfare block is not fit for purposes and is hugely under-utilised as mess facilities for the waste contractors. The building sits at a lower level than the existing offices and there is potential to demolish and redevelop this building to provide 2 (possibly 3) storey accommodation to meet future demand for a range of uses including offices for existing staff on site, storage and mess rooms.
- The additional space would contribute to the Council's total space provision, e.g. this would potentially enable the Council to relocate the entirety of the Environmental Services team from the Civic Centre site.
- The existing single storey modular offices can then be demolished to provide space for additional vehicle parking.
- Any development would be subject to planning permission and other consents generally, including restrictions on the number of vehicle movements. For example, the current lease for the Annexe (A) for the street cleaning contract stipulates that all operatives' private vehicles are required to be parked within the depot boundary so as not to adversely impact local residential parking.

5.7

Location of Depots - Proposed



5.8 Summary of Depot Numbers

	EXISTING	PROPOSED
TOTAL NO. OF DEPOTS	19	9
TOTAL WTS	2	2
TOTAL HWRC	2	2
GM TOTAL	16	8
GM MAIN	1	4*
GM SECONDARY	5	0
GM SITE SPECIFIC	10	4
SPECIAL USE	1	1

* Churchfields Road and Kelsey Park Lower will operate as one Main GM Depot.

6.0 PROPERTIES RELEASED

6.1 Properties with the potential to generate capital receipts

There are 8 existing properties which are surplus to the requirements of the strategy which have the potential to generate a capital receipt through a sale for alternative use, primarily residential use.

It should be stressed that releasing a capital receipt and the quantum of the receipt will be subject to a developer securing an implementable planning permission and other consents, including, in some cases, the release of land from parks.

The indications of realisation price we have provided are based on the assumption that a full planning permission has been achieved for an assumed scheme and is not guaranteed. We refer to the general assumptions contained in section 7 of this report.

a) Alligator House, Civic Centre

The offices are attached to the east wing of the Palace at the Civic Centre and are included in the proposed land sale. Any capital receipt will form part of the consideration for the land and is not separately identified in this report. If this does not proceed the depot cannot be disposed of in isolation.

b) Beaverwood Depot

The site is not in a good strategic location being on the north east boundary of the Borough. It has been substantially vacant since the street lighting contractor moved out and only the rear part of the site is now utilised, for the maintenance of equipment and green recycling.

Retention would require a high initial investment in putting the property into good repair and high maintenance costs particularly as the old stable block is locally listed and in poor condition.

The site is located in a high value residential area and has the potential to generate a capital receipt as a residential development if planning consent can be secured. A complete redevelopment is likely to generate a higher receipt than the conversion of the stables and we would recommend that the listed status of the stables be withdrawn.

c) Church House Gardens Depot

Comprising a large open hard-surface area with a small number of depot buildings located in centre of Bromley. The depot is very poorly utilised and is used only for a short period twice a year to store bedding plants for distribution around the borough. This part of the GM operation could be restructured under the new contract or alternatively relocated to the Churchfield Road/Kelsey Park Lower Main Depot.

d) Lodge at Church House Gardens

This small lodge/gatehouse at entrance to gardens is not fit for purpose and in very poor condition and no longer operationally or economically viable. A sale of the building would generate a capital receipt and this would be enhanced if an area of land was included to allow the extension of the building/a garden.

The building needs to be considered in conjunction with Church House Gardens Depot as demolition may be necessary if a wider road access is required to facilitate a larger development.

e) Lodge at High Elms

Two historic buildings used as offices and externally for parking. A capital receipt could be realised through the sale of these buildings as a residential opportunity. Conversely, retention would require a significant capital injection and with only a handful of staff occupying these buildings, this cannot be justified economically. The service would be more economically provided at the Main Depot at Priory Gardens Main Depot.

The Friends of High Elms have a tool storage facility at the rear of the lodge and this would need to be reprovided.

f) Denbarn at High Elms

This site is underutilised and used for the storage of wood and by the Friends of High Elms for tool storage. A sale with the benefit of a residential planning permission would produce a high receipt although the Grade 2 listed status of the existing buildings might detract from this. As the facilities used by the Friends group would be taken away both here and at the Lodge, reprovision would be necessary.

g) Chapel at London Road Cemetery

The use of this former chapel ormer chapel as a tool store represents huge under-utilisation and the need could be satisfied by the installation of a concrete base for the contractor to site a sea container.

The chapel has the potential to convert to residential use and the receipt could be enhanced by the inclusion of additional land for a garden and to provide a separate entrance.

h) Chapel at St Luke's Cemetery

This chapel is no longer used and offers the opportunity to convert to residential. The receipt could be enhanced by the inclusion of additional land for a garden.

6.2 Properties with no potential to release capital receipts

There is one existing properties which is surplus to the requirements of the strategy which has no potential to generate a capital receipt.

a) Kelsey Park Upper Depot

This is a small depot located within Kelsey park and very close to Kelsey Park Lower depot to which all activities will be transferred.

It comprises a mix of very badly dilapidated buildings all of which need to be demolished. On account of its location the site has no alternative use potential.

7.0 FINANCIAL SUMMARY

7.1 Summary

- The estimated cost of maintaining the existing depots over 30 years is £5.34 million
- The estimated cost of maintaining the retained depots over 30 years is £3.91 million
- The saving is £1.43 million
- This saving is realised mainly through the release of depots.
- Both scenarios are cost 'front-ended' with an assumption that the retained properties are put in to good repair at the start of the contract.
- The properties released have a potential sale value of £9,450,000 subject to planning (less realisation costs – environmental, planning, marketing).

DEPOT	CATEGORY	PROPOSALS	CURRENT - ESTIMATED COST	PROPOSED - ESTIMATED COST	POTENTIAL RECEIPTS
TOTAL ALL DEPOTS			£5,340,000	£3,915,000	£9,450,000

Central Depot	Main Depot	Excluding any major upgrade or the replacement of the WTS and HWRC to achieve compliance. Structural works to retaining wall are underway as a Capital Project for 2017/8. A report has been commissioned to investigate the condition of the hardstanding surfaces across the entire site. Fundamentally, the routine maintenance costs will be the same.	1,560,000	1,560,000	N/A
Central Depot - Annexe A& B		No major changes. The routine maintenance costs will be the same.	500,000	500,000	N/A
Churchfields Road	Main depot – WTS, HWRC & GM	Excluding any major upgrade or the replacement of the WTS and HWRC to achieve compliance. Fundamentally, the routine maintenance costs will be the same. For the creation of the GM Main Depot hardstanding surfaces are believed too be sound and the additional costs include the demolition of redundant structures and the making good of hardstanding areas and for the provision of utilities (electricity & water).	310,000	450,000	N/A

Table cont..

DEPOT	CATEGORY	PROPOSALS	CURRENT - ESTIMATED COST	PROPOSED - ESTIMATED COST	POTENTIAL RECEIPTS
Kelsey Park Lower	GM - Main depot	The Proposed Cost assumes that the site is cleared and a hardstanding laid for the contractors modular buildings.	£400,000	£500,000	N/A
Priory Gardens Depot	GM - Main depot	The Proposed Cost assumes that the site is cleared and a hardstanding laid for the contractors modular buildings.	£160,000	£500,000	0
Shire Lane	Special Use depot	Minimal costs associated with repairs to the fence.	£25,000	£25,000	0
BEECHE Centre, High Elms	Educational facility	Continues - No change	£50,000	£50,000	0
Chislehurst Cemetery Depot	Site Specific Depot GM	Retain to service cemetery. No change in cost.	£100,000	£100,000	0
St Luke's Cemetery Depot	Satellite depot GM	The existing buildings are retained. As connected to the WC block. No change in the maintenance cost.	£90,000	£90,000	0
St Luke's Cemetery Chapel	Satellite depot GM	Sale of Chapel as residential opportunity.	Not surveyed	0	250,000
Croydon Road Recreational Ground	Satellite depot GM	The facility is totally unfit for purpose and should be demolished and replaced with a hardstanding.	£55,000	£55,000	0
London Road Cemetery Chapel (x2)	Satellite depot GM	Replace depot provision with slab and sell both chapel buildings as residential opportunities.	£500,000	£10,000	500,000
Beaverwood Depot, Chislehurst	Release as surplus	Disposal Residential. No ongoing liability.	£400,000	0	2,000,000
Church House Gardens Depot	Release as surplus	Sale as residential opportunity.	£210,000	0	2,500,000
Church House Gardens Lodge	Release as surplus	Sale as residential opportunity.	£210,000	0	200,000
High Elms Country Park Lodge	Release as surplus	Sale as residential opportunity.	£415,000	0	1,000,000
Densbarn, Elms Park	Release as surplus	Sale as residential opportunity	£135,000	20,000	3,000,000
Kelsey Park Upper Depot	Release as surplus	Demolished and the land returned to the park..	£220,000	55,000	0
Alligator House, Civic Centre	Release as surplus	Sale - Civic Centre redevelopment.	0	0	N/A
Crystal Palace Road Depot	Excluded	Assumed transfer to Trust	0	0	N/A
Crystal Palace, Anerley Hill Depot	Excluded	Assumed transfer to Trust	0	0	N/A
Crystal Palace, Thicket Road	Excluded	Assumed transfer to Trust	0	0	0

7.2 Capital Risk Transfer – Length of Contract Term

Over the term of the new contract it is likely that the existing depot facilities will require upgrading or complete replacement. The size of the investment required will range from the construction of a modern fit-for-purpose main waste transfer station at Central Depot to the small scale provision of a concrete slab for a portacabin or sea container in a park.

Rather than calling on its Capital Projects Budget the Council has the option of transferring the cost to the market through the contract.

Bidders will look to write down the capital cost over the course of the contract (together with a return on the investment) and the write down period will differ according to the size of the investment.

We have categorised the types of investment that can be anticipated over the term of the contract and commented on the likely contract term a contractor would wish to secure in each case.

We understand that the Council is currently considering offering an 8+8 year contract in the RFP. We are of the view that this would be sufficient to secure investment for the levels of investment required with the exception of the provision of new WTS AT Central Depot and Churchfields where we are of the view that a 25 year contract would be required.

FINANCIAL RISK	COST	REQUIRED TERM
The WTS at both Central Depot and Churchfields Road Depot and not compliant and there is a high risk that during the term of the new contract the Environment Agency will intervene and require the existing facilities to be upgraded and possibly made EA compliant.	VERY HIGH	25 years
The HWRC at both Central Depot and Churchfields Road Depot and not compliant and there is a high risk that during the term of the new contract the Environment Agency will intervene and require the existing facilities to be upgraded and possibly made EA compliant.	HIGH/MEDIUM Many modern facilities operate on the basis that a hardstanding is provided and the contractor provides modular buildings and skips for the collection and sorting.	16 years
Main GM Depots are not fit for purpose and need to be reprovided. This can be done by providing hard standings on which the contractor can site his own modular buildings and sea containers.	MEDIUM The Main GM depots at Churchfields Road, Kelsey Park Lower and Priory Road.	8 -16 years
Site specific GM depots at the Main Depots need to be reprovided. This can be done by providing hard standings on which the contractor can site his own modular buildings and sea containers.	LOW Only a concrete hardstanding capable of accommodating ½ sea containers.	3-5 years

8.0 ASSUMPTIONS AND LIMITATIONS

We have made the following assumptions in carrying out our appraisals and in providing estimates of potential capital receipts on the sale of any property. The assumptions are made on the basis of information made available to us as at the date of this report and by agreement with the Council. If you have any doubts about the accuracy of any of the assumptions please advise us so that this market appraisal can be revised to reflect any change in circumstances. Should further or different information become available we reserve the right to reconsider the assumptions and the appraisal.

1. All appraisals are at today's date.
2. We have not been provided with a Title Report and Local Searches, with full and detailed tenure information. We have assumed a good and marketable freehold legal title, free from onerous restrictions, covenants or other encumbrances that would impact upon value. No allowance has been made for party wall, boundary issues, or rights of light.
3. We have not been provided with full copies of all occupational lease and we have assumed that the Council can secure vacant possession of each property.
4. An unfettered satisfactory planning consent is granted for a scheme of redevelopment. We have not engaged in detailed discussions with the Council as Planning Authority regarding the scope for development on any of the sites.
5. We have not carried out a detailed site or measured survey and all areas are measured from plan or satellite imaging and are approximate.
6. We have made no allowances for the cost of works in connection with achieving compliance with the requirements of the Environment Agency or any other body.
7. No allowances have been made for service diversions or off site works or for the removal/relocation of statutory utilities.
7. We have not carried out any investigations or tests, nor been supplied with any information that determines the presence or otherwise of pollution or contaminative substances in the subject sites or any other land (including any ground water). Our appraisals have been prepared on the basis that there are no such matters that would materially affect the realisation price.
7. We have not carried out or commissioned a site investigation or geographical or geophysical survey and we can give no assurance of the ground bearing capacity of the land.
8. We have not investigated the risk of flooding to the sites.
9. No allowances have been made nor any sums set aside for archaeological investigations.
10. We have not undertaken a structural survey nor tested any services at the sites and we are therefore unable to give any opinion as to the condition of any structures or services. Our appraisals assume that there are no latent defects, wants of repair or other matters which would materially affect our estimates.
11. We have not investigated the presence or absence of high alumina cement, calcium chloride, asbestos and other deleterious materials. In the absence of information to the contrary, our estimates are on the basis that no hazardous or suspect materials and techniques have been used in the construction of any property. No allowances been made for any grants or incentives to which a purchaser may be entitled.
12. We have assumed that any information provided by the client is correct.
13. No allowances to be made for any expenses of realisation or any taxation liability arising from a sale or development of any property. The estimates are expressly prepared exclusive of Value Added Tax.
14. The advice which will be provided in our Report should only be regarded as providing an indication of potential capital receipts on the basis that all assumptions contained in the report are satisfied. The advice cannot be considered to represent a valuation in accordance with the Appraisal and Valuation Manual published by the Royal Institution of Chartered Surveyors and should not be regarded as a valuation.

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