

OFFICIAL



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

11 January 2022

TO ALL MEMBERS OF THE SCOTTISH FIRE AND RESCUE SERVICE

Dear Member

You are invited to attend the Special meeting of the Scottish Fire and Rescue Service Board as follows:

Date: Thursday 13 January 2022

Time: 1030 hours

Venue: Conference Facilities

The business for the meeting is detailed overleaf.

Should you require any other information, please contact Group Commander Alasdair Cameron on 07786 856986, Heather Greig on 07824 307616 or Debbie Haddow on 07341 880523.

Yours sincerely

Kirsty L. Darwent

KIRSTY DARWENT
Chair

Please note that this meeting will be recorded and published on the SFRS Website.



SCOTTISH
FIRE AND RESCUE SERVICE

Working together for a safer Scotland

SPECIAL PUBLIC MEETING - THE BOARD OF SCOTTISH FIRE AND RESCUE SERVICE
THURSDAY 13 JANUARY 2022 @ 1030 HOURS
CONFERENCE FACILITIES

AGENDA

- 1 CHAIR'S WELCOME**
- 2 APOLOGIES FOR ABSENCE**
- 3 CONSIDERATION OF AND DECISION ON ANY ITEMS TO BE TAKEN IN PRIVATE**
- 4 DECLARATION OF INTERESTS**

Members should declare any financial and non-financial interest they have in the items of business for consideration, identifying the relevant agenda item, and the nature of their interest.

- 5 WEST ASSET RESOURCE CENTRE: PROJECT FUNDING LEVEL** *I Morris*
(attached)

The Board is asked to approve the report.

- 6 DATE OF NEXT MEETING**
Thursday 24 February 2022 (Special)

PRIVATE SESSION

- 7 COMMAND AND CONTROL FUTURES UPDATE (verbal)** *M Blunden*

The Board is asked to note the verbal update.

Please note that this meeting will be recorded and published on the SFRS Website.

SCOTTISH FIRE AND RESCUE SERVICE
The Board of Scottish Fire and Rescue Service



Report No: B/FCS/01-22

Agenda Item: 5

Report to:	THE BOARD OF SCOTTISH FIRE AND RESCUE SERVICE						
Meeting Date:	13 JANUARY 2022						
Report Title:	WEST ASSET RESOURCE CENTRE: PROJECT FUNDING LEVEL						
Report Classification:	For Decision	Board/Committee Meetings ONLY For Reports to be held in Private Specify rationale below referring to <u>Board Standing Order 9</u>					
		<u>A</u>	<u>B</u>	<u>C</u>	<u>D</u>	<u>E</u>	<u>F</u>
1	Purpose						
1.1	The purpose of this paper is to seek approval from the Board to increase the budget allocation and proceed with the delivery of the West Asset Resource Centre at Scottish Fire and Rescue Services (SFRS) Headquarters (HQ)/National Training Centre (NTC), Cambuslang based upon costs received from the Framework Contractor at £13.0m.						
2	Background						
2.1	In September 2013, the Board approved the Strategic Intent Programme which included the West Asset Resource Centre, which was due to commence under phase 4 in 2016. However, this was subsequently delayed in 2016 when the Capital Dell allocations from Scottish Government were reduced to only £12.8m for the 2016-2017 fiscal year.						
2.2	The Board, at its meeting in June 2018, approved the business case to build a West Asset Resource Centre at Cambuslang, on the same site as the National HQ and Training Centre, at an estimated initial cost of £5.49m. Following this approval, a project was initiated, and was in the process of being formally established as a Major Project within the Programme Office. Preliminary steps were undertaken to develop a design, appoint a contractor and commence groundworks on site. At that stage, site issues were identified, including ground contamination and the capacity of existing site services (gas/electricity/access). The Stage 1 Report from the contractor in January 2019 identified c.£1.7m of additional cost to rectify these issues, plus a further £0.4m to fully address the brief, which exceeded the project budget. The decision was taken at that stage to once again pause the project while an alternative site was considered.						
2.3	Property Services were tasked with identifying alternative sites, both vacant land and existing buildings, and assessing the viability and potential cost benefit of developing the West ARC on each, relative to the SFRS site at Cambuslang. An in-depth options appraisal was carried out reviewing and considering each of the options, the preferred outcome was identified to construct on SFRS land, with the Cambuslang site still identified as the preferred site.						
2.4	In July 2020, the Board approved the preferred option that the West Asset Resource Centre project be developed on the originally identified vacant ground within the SFRS HQ/National Training Centre site at Cambuslang, with a provisional estimated project budget cost of £10.5million, subject to final tendering confirmation.						

2.5	<p>Since the summer of 2020, several external influences, such as the Coronavirus pandemic along with BREXIT have significantly impacted on the construction industry. Increased uncertainty and increased costs have been associated with: shortage of labour market, material issues - supply chain issues, material costs and delivery timescales, Covid restrictions has reduced productivity and increased uncertainty over future measures. These concerns and issues have resulted in a negative impact on costs and confidence within all sectors of manufacturing and production but more importantly the construction industry.</p>
2.6	<p>In July 2020, an inflationary allowance of 3% was identified as appropriate for the works moving forward. However, recent unprecedented events have resulted in significantly increasing the inflationary impact on construction costs. BCIS Tender Price Indices (TPI) – showing a current estimated 1Q22 TPI of circa 9%-10% on the year and 8% since 2Q21. BCIS Material Price Indices (MPI) – the primary current key indicator of rises within the construction sector over all trades highlight a current estimated 1Q22 materials of circa 19%-22% on the year.</p>
3	Main Report/Detail
3.1	<p>The Board approved the outcomes of the Strategic Intent exercise undertaken in September 2013, which included the rationalisation of nine (9) inherited workshop provisions to four (4) specifically the refurbishment and redevelopment of Inverness to service Highlands, the replacement of Blackness Road in Dundee to service the North East, the replacement of Cowcaddens to Service the west, the retention of Newbridge to service the East, the closure of facilities at North Anderson Drive, Thornton, Gullane, Maddiston and cessation of services from Fife and D&G council.</p>
3.2	<p>Subsequently the Board additionally approved the Business Case in June 2018 and the outcome of the options appraisal in July 2020 and all of these documents reiterate the essential requirement for the replacement of the Cowcaddens workshops with development on our own land at the SFRS HQ Complex being the most cost-effective option.</p>
3.3	<p>As a direct result of the detailed cost increases received in December 2021, a review of the original business case to develop a West Asset Resource Centre has concluded that the case remains valid. A further review of the Options Appraisal concluded that given the current cost increase is not due to site or ground condition remedial works all options considered are subject to the same inflationary increases as experienced within the Cambuslang site. This inflationary impact on the construction cost has been considered uniform across all options, therefore, relative scoring and resultant positioning has remained unchanged. In conclusion, the review of the Options Appraisal, determined that the original preferred option to construct the West ARC on the Cambuslang site remains the preferred option. Progress of this option is also key to realising the significant capital receipt associated with the disposal of the Cowcaddens complex site and the re-provision of the city centre Fire Station.</p>
3.4	<p>As a consequence of these delays since 2014, no significant additional investment has been made to any of the Cowcaddens complex properties. The condition of the current workshop building fabric continues to deteriorate. The buildings are of an asbestos clad construction and would require to be fully isolated during any significant works. Due to the significant level of refurbishment works required to upgrade these facilities, it is impossible to maintain vehicles during any construction works. Furthermore, it is recognised that there would be a difficulty in identifying available alternative facilities for use on a temporary basis. As identified in 2013 the workshops location, layout and space available remains unfit for its suitability and its current fleet operations from this site.</p>

4	Recommendation																											
4.1	<p>The Board is asked to approve the following recommendation;</p> <ul style="list-style-type: none"> To increase the budget allocation and proceed with the delivery of the West Asset Resource Centre at SFRS HQ/National Training Centre, Cambuslang based upon costs received from the Framework Contractor at £13.0m. Subject to agreement of the Board, the Acting Director of Asset Management will progress through the governance route a Change Request and updated Dossier for approval of the Change Committee. 																											
5	Key Strategic Implications																											
5.1	Risk																											
5.1.1	A project Risk Register has been developed for this project. The highest risks currently identified relate to project cost items: impact of external influences including Brexit leading to returned costs in excess of current project budget levels. These risks have now been realised within the contractor's submitted costs.																											
5.1.2	As stated at 5.5.3 below, the construction of this new facility will provide the opportunity to remove several buildings with known issues, including ACM's from the SFRS property portfolio.																											
5.1.3	Due to the volatility of the current market, until a contract is agreed on the received offer, the contractor is unable to ensure the prices submitted can be held. It is therefore recommended that SFRS hold a separate contingency sum for these works. Normal contingency pre-construction would be at some 10%, however, given the extensive design development, ground survey works, etc, it is recommended that a contingency sum of 5% be held for these works.																											
5.2	Financial																											
5.2.1	<p>It is now estimated that to develop the West Asset Resource Centre at Cambuslang will require a total capital investment of £13.0m. The following table illustrates the current cost break down:</p> <table border="1"> <thead> <tr> <th>Narrative</th> <th>Cost Estimate June 2020 £</th> <th>Proposed Budget January 2022 £</th> </tr> </thead> <tbody> <tr> <td>Fees expended out with MCLH</td> <td></td> <td>594,186</td> </tr> <tr> <td>Fees, Prelims, etc:</td> <td>2,015,230</td> <td>1,705,586</td> </tr> <tr> <td>Build Cost</td> <td>7,039,084</td> <td>10,332,417</td> </tr> <tr> <td>Inflation (3%)</td> <td>271,629</td> <td>included</td> </tr> <tr> <td>Risk/Contingency</td> <td>1,165,743</td> <td></td> </tr> <tr> <td>Contractor priced risk</td> <td></td> <td>361,234 (now included within MCLH cost)</td> </tr> <tr> <td>TOTAL</td> <td>10,491,686</td> <td>12,993,423</td> </tr> <tr> <td>SFRS Contingency / Risk pot</td> <td></td> <td>0</td> </tr> </tbody> </table>	Narrative	Cost Estimate June 2020 £	Proposed Budget January 2022 £	Fees expended out with MCLH		594,186	Fees, Prelims, etc:	2,015,230	1,705,586	Build Cost	7,039,084	10,332,417	Inflation (3%)	271,629	included	Risk/Contingency	1,165,743		Contractor priced risk		361,234 (now included within MCLH cost)	TOTAL	10,491,686	12,993,423	SFRS Contingency / Risk pot		0
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5.2.2	If approved by the Board, the additional £2.5m capital requirements for the West ARC will be provided from the Fleet Capital Allocation 2022-2023. Fleet has experienced significant challenges with regards to the construction and delivery of new appliances because of Covid and Brexit. This has given rise to around 27 appliances being in mid-construction during 2021-2022 with completion in mid-2022, therefore the impact of this reduction in capital allocation for Fleet during 2022-2023 will be minimal for this coming year.																											
5.2.3	SFRS is already committed to spending £800K in design and development costs. This cost commitment has been included within the overall £13m figures above.																											

<p>5.3 5.3.1 5.3.2</p>	<p>Environmental & Sustainability</p> <p>In support of SFRS’s Environmental Policy 2020-2030 and Energy and Carbon Strategy 2020-2030, the following low carbon elements which were not included in the June 2020 design will now be included within the new proposed design brief:</p> <ul style="list-style-type: none"> • Electrical vehicle charging, • Solar array/energy storage, (reduce electricity costs on site) <p>Following input from Carbon Zero specialists, additional measures to assist energy performance/low carbon design goals, for example air source heat pump, full building management system, improved heating and ventilation controls, daylight sensors etc. have been incorporated within the project proposals.</p>
<p>5.4 5.4.1 5.4.2</p>	<p>Workforce</p> <p>The following employee groups who have been fully consulted with throughout the process will be re-located to the new facility:</p> <ul style="list-style-type: none"> • Fleet Workshops from Cowcaddens • Ladder Workshop from Cowcaddens • Fleet & Fuel Central Support from Hamilton • Stores Facility from Hamilton • ICT Workshops from Hamilton • Property Teams from Hamilton and Johnstone <p>Effective engagement with subject matter experts, employees, representative bodies, and other relevant stakeholders is essential to the success of the project. A partnership approach to employee relations has been adopted, as aligned to SFRS Working Together Framework, ensuring early engagement with those affected and their representative bodies.</p>
<p>5.5 5.5.1 5.5.2 5.5.3</p>	<p>Health & Safety</p> <p>Delivery of the West ARC at Cambuslang will require the construction of a substantial building and associated works. All such works are to be subject to a risk assessment and the development of method statements including adherence to Building Technical Standards (Scotland), Planning and CDM Regulations, to ensure the safety of all concerned, including to the wider environment.</p> <p>The provision of a dedicated site access road to the West ARC, separate to that for the HQ/NTC site, will reduce any risk posed from the additional vehicle access requirement that the new West ARC brings to the SFRS facilities at Cambuslang. The new facility has been designed to operate with minimal impact on the NTC and HQ.</p> <p>Construction of this new facility will provide the opportunity to remove several buildings with known issues, including ACM’s from the SFRS property portfolio.</p>
<p>5.6 5.6.1 5.6.2</p>	<p>Training</p> <p>All project-based staff will familiarise themselves with the outputs from the West ARC and any requirement for relevant further training will be addressed.</p> <p>While designed to ensure vehicle access to the new West ARC remains separate from that of the HQ/ NTC site, access to both sites can be accommodated should this be considered necessary, i.e. in the event of a road closure at Westburn Drive, vehicle access to the entire SFRS site can be maintained. New facility has been designed to operate with minimal impact on the NTC and HQ.</p>

5.7 5.7.1	Timing Based on MCLH's submitted programme and if funding approval is provided by 17 January 2022, allowing for a proposed commencement on 14 February 2022, it is anticipated the works would be completed by 30 January 2023, with the new facility made available for occupation by March/April 2023.
5.8 5.8.1 5.8.2 5.8.3	Performance The project will provide a new West Asset Resource Centre to meet current expectations e.g. modern, comfortable and fit for purpose, which will include a "One Stop" approach to, vehicle and equipment workshop, IT workshop, Stores, Property Services and ICT office accommodation (for those based in West SDA) and ancillary accommodation. Combining these functions into a single purpose-built facility which will greatly enhance performance and productivity for this area. Highlight Reports submitted to the Project Board, Programme Office, Senior Management Board and Change Committee will continue to include an assessment of performance against budget, time and quality requirements. This will fully complete all aspects of the original Strategic Intent Programme with four (4) Asset Resource Centres deployed across Scotland for equitable access to all areas
5.9 5.9.1 5.9.2 5.9.3	Communications & Engagement Extensive consultation has been undertaken with user departments to develop an agreed high-level brief, outline design and acceptance of project proposals. Ongoing engagement will continue throughout the project to ensure detailed requirements are understood and incorporated. The project will continue to be managed through a project board at which key stakeholders are represented, including relevant trade unions. A detailed communications strategy is being developed as part of the project.
5.10 5.10.1	Legal Delivery of the West ARC will be in strict adherence to all necessary Local Authority Approvals, the building contract, relevant standards and regulations. Full Planning approval has already been secured for the current proposals.
5.11 5.11.1	Information Governance <i>DPIA completed No. There is no personal information contained within this report.</i>
5.12 5.12.1	Equalities <i>EIA completed Yes</i>
5.13 5.13.1	Service Delivery It is proposed that by constructing a new West ARC facility at Cambuslang existing operational effectiveness of Workshops, Stores, ICT, etc. will not be adversely impacted. However, on completion and occupation of this new purpose-built facility, it is fully anticipated that measurable significantly greater operational effectiveness will be achieved as a consequence of operating from this new facility.

6	Core Brief	
6.1	The Acting Director of Asset Management presents this report seeking approval from The Board to develop a West Asset Resource Centre at the National HQ/Training Centre site in Cambuslang with an increased funding level of £13.0m.	
6.2	Subject to agreement of the Board, the Acting Director of Asset Management will provide a Change Request and updated Dossier for approval of the Change Committee.	
7	Appendices/Further Reading	
7.1	Appendix A - West ARC Options Appraisal October 2017	
7.2	Appendix B – West ARC Options Appraisal October 2017 – Appendices	
7.3	Appendix C – SFRS West ARC Business Case March 2018	
7.4	Appendix D – Pick Everard Market Intelligence Report Q4 2021	
7.5	Appendix E – RICS BCIS Indices Results 101	
7.6	Appendix F – RICS BCIS Materials Cost Index 1174	
7.7	For Noting: Previous Board Minutes 26 September 2013, 28 June 2018 and 30 July 2020 approving the West ARC.	
7.8	Further Reading: Cowcaddens Fire Station Options Appraisal April 2019 West ARC Tendered Total of Prices December 2021	
Prepared by:	John Gillies, Property Project Manager	
Sponsored by:	Iain Morris, Acting Director of Asset Management	
Presented by:	Iain Morris, Acting Director of Asset Management	
Links to Strategy and Corporate Values		
Objective 4.3 We will invest in and improve our infrastructure to ensure our resources and systems are fit to deliver modern services		
Objective 4.1 We will maximise our contribution to sustainable development through delivery of economic, social and environmental benefits for the communities of Scotland.		
Governance Route for Report	Meeting Date	Report Classification/ Comments
<i>SFRS Board</i>	<i>13 January 2022</i>	<i>For Decision</i>



APPENDIX A

keppie

OPTIONS APPRAISAL OCTOBER 2017

REDUCED SCALE FACILITIES



SCOTTISH FIRE &
RESCUE SERVICE

WEST ARC

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EXECUTIVE SUMMARY

Purpose

Cushman & Wakefield and Keppie Design were commissioned by hub South West Scotland (hub SW) to prepare a feasibility report to assess and make recommendations upon the strategic options available to Scottish Fire and Rescue Service (SFRS) to develop its estate in the West of Scotland. The objective is to rationalise the estate, deliver savings in recurrent budget and generate surplus property disposal income whilst maintaining the current levels of service.

An initial report was issued in June 2017 capturing the alternative options for the relocation and consolidation of the combined West Asset Resource Centre (West ARC) and the West Service Delivery Area (West SDA) office facilities to one site, either at its existing Bothwell Road site in Hamilton or alternatively at a new site, ideally located within North Lanarkshire area.

This supplemental report focuses on two alternative approaches to relocate the West Asset Resource Centre (West ARC) leaving the West SDA in its current location in Hamilton. These options are:

Option 1 – Relocation to New Build

Option 2 – Relocation to Refurbished/Remodelled Building

The new location is to benefit from excellent vehicular access to Scotland's strategic road network and public transportation to serve the West ARC. The ARC covers a large geographic area and includes the West Coast local authorities, Dumfries and Galloway and Argyll and Bute.

The specific requirements of the brief were:

- Undertake a search for prospective sites that meet the geographic and operational requirements of the client.
- The new West ARC should include the required office accommodation for support staff, communications, and the fleet workshop capacity to be relocated from the Cowcaddens facility.

The purpose of this report is summarise and advise upon the available options, make recommendation(s) and to seek the feedback and the approval of the SFRS Board and Senior Management Team (SMT) on the recommendations.

Note: The original report dated June 2017 considered the options (and potential capital receipt) for the sale and disposal of surplus assets comprising the existing West Headquarters site in Hamilton (part) and also the existing facilities in Cowcaddens, Glasgow.

The Case for Change

Whilst the existing site at Bothwell Road, Hamilton accommodates many of the facilities required in the future single location, there is no straightforward solution for location of the workshop facilities on the site without significant reorganisation of the site that inevitably will be disruptive. The existing office space is inefficient and does not meet current needs. However, staff are currently based at the site and the land is owned by the Fire Service so the case for staying put has been carefully considered and weighed against the other options available.

The proposals for the West ARC fall within SFRS's planned property portfolio rationalisation programme.

A site neutral model has been developed by Keppie Design to illustrate the required relationships between the components of the new West ARC, workshops and yard facilities and the size of the site required to accommodate the new facilities. The land take for the site neutral model requires a site of 1.32 hectares (3.26 acres). The total accommodation requirements for the workshops, store and offices is 3,515sq.m. with 50 car parking spaces and associated yard areas.

The site neutral model takes no cognisance of any specific factors on potential development sites, it is prepared to identify the ideal layout that delivers an efficient and successful built outcome, to assess land take required to satisfy the brief and to assist cost planning.

OPTION 1 | RELOCATION TO NEW BUILD

Development Options

The site search area for alternative sites for the new facilities had to meet several SFRS criteria. A geographical preference was identified by SFRS to limit the search to North Lanarkshire within a radius of 15 miles from Glasgow city centre. A further geographical consideration was the service area, the distance for vehicles travelling from the West coast and maintaining separation from the East facilities in Newbridge.

SFRS's criteria for qualitative assessment of the site options identified were:

- Site Ownership/Acquisition Issues
- Consistency with Planning Policy
- Suitability of Site Size and Shape
- Presence of Enabling Infrastructure
- Site Complexity/Construction Abnormals
- Neighbourhood Suitability
- Accessibility/Public Transport
- Visibility
- Aspect
- Delivery Timescales
- Business Disruption

A long list of 17 site options were identified and assessed, including the base 'Test Case' option for SFRS to remain on the existing Hamilton site. The long list of site options is:

- Option 1: Hamilton, Bothwell Road ('Test Case')
- Option 2: Westfield Industrial Estate
- Option 3: Eurocentral, Plot T (5.7 acres) or Plot R (up to 40 acres)
- Option 4: Eurocentral, Plots H, I J & K (5 – 11.8 acres)
- Option 5: Development site, M73 Link Road, Gartcosh
- Option 6: Laverock Knowe Quarry, Raebog Road, Glenmavis
- Option 7: West Site, Strathclyde Business Park
- Option 8: Gail Avenue, Righead Industrial Estate, Bellshill
- Option 9: Wardpark South, Cumbernauld
- Option 10: Glencryan Road, Carbrain Industrial Estate, Cumbernauld
- Option 11: Gartcosh Business Interchange Plot 1A West
- Option 12: Belgowan Street, Bellshill North, Bellshill

- Option 13: Compass House, Tannochside Business Park
- Option 14: Carlisle Road, Airdrie
- Option 15: Albion Rovers Football Club, Main Street, Coatbridge
- Option 16: Gartcosh Business Exchange, Gartcosh Plot 1A East
- Option 17: Gartcosh Business Exchange, Gartcosh Plot 3

These 17 options were short-listed against the SFRS criteria at a round table meeting with SFRS, Cushman and Wakefield and Keppie Design. The short-listed options considered for further detailed appraisal are shown below:

- Option 1: Hamilton, Bothwell Road ('Test Case')
- Option 8: Bellshill, Righead Industrial Estate
- Option 11: Gartcosh Business Interchange Plot 1A West
- Option 16: Gartcosh Business Interchange Plot 1A East
- Option 17: Gartcosh Business Interchange Plot 3

In addition to options identified during the site search and captured within the original report, a further option was identified as vacant land adjacent to the existing Scottish Fire & Rescue Service HQ in Cambuslang (Option 18). This option had not been considered in the previous exercise but was included as a credible option for the ARC Only solution.

OPTION 2 | RELOCATION TO REFURBISHED/REMODELLED BUILDING

As an alternative to the relocation of the ARC facilities to a new site, a review has been undertaken of the potential to purchase an existing building and relocate the ARC facilities following refurbishment/modification. A similar search was completed for existing buildings arising with the following long list:

- Option 1: 8 Grayhill Road, Cumbernauld
- Option 2: 3 Dunns Wood Road, Cumbernauld
- Option 3: 240 Whifflet Street, Cumbernauld
- Option 4: 2 Colvelles Road, Kelvin Industrial Estate, East Kilbride
- Option 5: 3 Cardowan Park, Tannochside Park
- Option 6: 600 Edgefauld Road, Atlas Industrial Estate, Springburn
- Option 7: 47 Houston Street, Kingston Bridge Trading Estate
- Option 8: 2 James Street, Righead Industrial Estate
- Option 9: 6 Grayhill Road, Cumbernauld
- Option 10: 9 Stroud Road, East Kilbride
- Option 11: 5 Ashley Drive, Bothwell
- Option 12: 7 Hornock Road, Coatbridge
- Option 13: 47 Fairfield Place, East Kilbride

These 13 options were shortlisted to the following five options based on the capability of the existing structures to accommodate the SFRS requirements, and their market availability/price:

- Option 1: 8 Grayhill Road, Cumbernauld
- Option 2: 3 Dunns Wood Road, Cumbernauld
- Option 6: 600 Edgefauld Road, Atlas Industrial Estate, Springburn
- Option 9: 6 Grayhill Road, Cumbernauld
- Option 11: 5 Ashley Drive, Bothwell

Conclusions

There is no single conclusion arrived at within the report however, the following should be noted:

a) New Build Site Options

The option to build the ARC on the existing Hamilton site presents many challenges. Whilst the new facilities can be accommodated on the site, there is a significant interface with the existing buildings requiring these to be remodelled. The further challenge is accommodating the construction of the new facilities on the operational Hamilton site. The costs of developing on the existing Hamilton site are significant and as such it is not recommended that this option be pursued further.

The preferred option on a purely financial basis will be the SHRS HQ site at Cambuslang. With the site already under the ownership of SFRS, this removes a purchase risk and reduces the overall development value of the new facilities. The construction risks of the site are not at this stage fully known but it is understood that various site investigation reports are available to support the de-risking of the development moving forward.

Should the Cambuslang site not be preferred from an operational perspective, the various sites at Gartcosh present a positive alternative with each having their own advantages. Should Gartcosh be the preferred option, it is recommended that an early meeting be convened with Scottish Enterprise to explore the requirement further and identify the best solution for SFRS.

b) Existing Building Options

The existing building options available are limited by market availability. Those options available during preparation of this report are included however, it is possible that other options may present themselves in due course.

None of the existing building options will present a perfect solution for SFRS. Whilst the potential purchase and redevelopment of 8 Grayhill Road in Cumbernauld appears to offer the best overall financial position for SFRS, this takes no cognisance of the enhanced construction risks because of the refurbishment of the existing buildings.

The further challenge with the existing building options is the future life cycle costs. Whilst a 'day-one' capital expenditure saving is identified, it is inconceivable that the additional operating revenue for repairs, maintenance and running costs for the existing buildings will not exceed this saving within the initial 3-5 years.

Next Steps

A detailed further review is required with SFRS to understand the preferred route to follow for the future stages of the project. The intention would be for this meeting to take place during January 2018 with a view to agreeing the strategy for the next steps and a programme to completion being agreed.

1. INTRODUCTION

Cushman & Wakefield and Keppie Design have been commissioned by Hub South West Scotland (Hub SW) to prepare a feasibility report detailing the strategic options available to Scottish Fire and Rescue Service (SFRS) to develop its estate in the West of Scotland.

SFRS should refer to the initial report prepared in June 2017 capturing the relocation options for the combined SDA and ARC facility.

The specific requirements of the brief for this stage of the commission were:

- Undertake a search for prospective sites that meet the geographic and operational requirements of SFRS;
- To assess and make recommendations upon the “stay-put and redevelop” option under consideration at Hamilton and relocation site/building options within the preferred North Lanarkshire area for the design and build of a new West Asset Resource Centre (ARC) with the existing SDA being retained in Hamilton.
- The new West ARC should include the required office accommodation for support staff, communications, and the fleet workshop capacity to be relocated from the Cowcaddens facility.

The purpose of this report is to summarise and advise upon the available options, make recommendation(s) and to seek the feedback and the approval of the SFRS Board and Senior Management Team (SMT) on the proposals.

The new facilities will be procured through the hub SW delivery vehicle supported by the consultancy team for this initial feasibility study being:

- Cushman & Wakefield – providing agency, town planning, project management and cost consultancy services.
- Keppie Design – providing master planning and architectural services.

SFRS proposes to relocate and consolidate its West Asset Resource Centre (West ARC) to one site, either at its existing Bothwell Road site in Hamilton or alternatively at a new site, preferably located within North Lanarkshire. The new site is required to be located with good access to Scotland’s strategic road and public transport network and public transport links.

The objective is to rationalise and modernise the estate, deliver future recurrent expenditure savings and generate surplus property disposal income whilst maintaining the current levels of service.

The purpose of this report is to summarise and advise upon the available options, make recommendation(s) and to seek the feedback and the approval of the SFRS Board and Senior Management Team (SMT) on the recommendations.

For the avoidance of doubt, all site values noted within this Feasibility Report are indications of value based upon Cushman & Wakefield market knowledge and professional assessment. They do not and are not intended to be formal valuations in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards (the ‘Red Book’).

Cushman & Wakefield has delivered the services associated with this commission in accordance with standard terms and conditions enclosed as Appendix 5 to this report.



2. THE STRATEGIC CASE

Overview

This section of the Report describes the strategic context and how the project links with SFRS's strategic remit. It provides the context within which the planned new West ARC facility.

SFRS Strategic Context

As a result of the Police and Fire Reform (Scotland) Act 2012 the eight Fire and Rescue Services in Scotland were merged to form the Scottish Fire and Rescue Service in 2013. The Scottish Fire and Rescue Service (the SFRS), is a body corporate established in terms of Schedule 1A of the Fire (Scotland) Act 2005 as amended (the 2005 Act) by the Police and Fire Reform (Scotland) Act 2012.

The 2016-19 Scottish Fire and Rescue Service Strategic Plan sets out the SFRS commitment to improve community safety, response and resilience, whilst addressing inequality and enhancing the wellbeing of the people of Scotland.

The Strategic Plan notes that since the creation of the Scottish Fire and Rescue Service, the cost base has already been reduced by £54.4m and SFRS continues to deliver efficiencies going forward. The way in which SFRS resources and assets are used is directed by priorities and objectives set out in this Strategic Plan with details on the specific strategic actions presented each year in its annual operating plan.

An initial report was prepared in June 2017 setting out options for the co-location of the West ARC and West SDA into a single site. The outcome of this paper was the identification of a cost for relocation of both facilities that was more than the available budget. As such, this further report has been prepared that proposes relocation of the ARC facilities into a new site or an existing building with the existing SDA facilities in Hamilton being retained.

The proposals for a new West ARC facility fall within SFRS's planned property portfolio rationalisation programme (SFRS's Property Estate – Strategic Intent document of 27 June 2013 by Chief Officer Alasdair Hay, endorsed by the SFRS Board) which sets out the aim to achieve an operationally efficient and affordable support estate.

The proposed rationalisation and investment strategy has been estimated to deliver around £18million in capital receipts from disposals and requires £17.5million of investment in new properties, refurbishments and backlog maintenance.

3. CASE FOR CHANGE

Business Needs

The new West ARC must accommodate the fleet workshop capacity being relocated from the existing Cowcaddens facility in Glasgow, along with associated stores, offices and ICT area. Based upon the SFRS brief, a site neutral model has been developed by Keppie Design to illustrate the required relationships between the components of the new West ARC, workshops and yard facilities. This is discussed further below.

Investment Objectives

The need for new facilities is set out in the SFRS Property Strategy – Strategic Intent Report. There is currently no Asset Resource Centre for the West. The ARC is a combination of fleet, equipment, stores workshops and property services base for the West team. This service is currently spread over Cowcaddens, Hamilton and Johnston sites.

The investment objective is a strategically located Asset Resource Centre accommodating fleet, equipment and ICT workshops in the West and the fleet workshop capacity being relocated from the Cowcaddens facility.

Benefits

The key strategic benefit that will accrue from undertaking this component of the programme of property rationalisation and investment is the creation of a fit for purpose, cost effective, support estate that is strategically located across SFRS's communities, giving SFRS a robust platform from which to deliver its strategic aims.

The new facility also has the potential to improve the efficiency of delivery of services by bringing lessons learned from other similar facilities, ensuring the workshop facilities meet the operational needs of servicing the large fleet of vehicles in the West of Scotland.

OPTION 1 | New Building Facility

A site neutral model has been developed for the ARC requirements based on a new-build facility. This is essentially a building model to identify the minimum requirements to permit assessment of alternative site options for the development. This will not be the final design solution for the new facility however, it does represent a logical model that will be used as a benchmark for the future design stages and to assist cost planning.

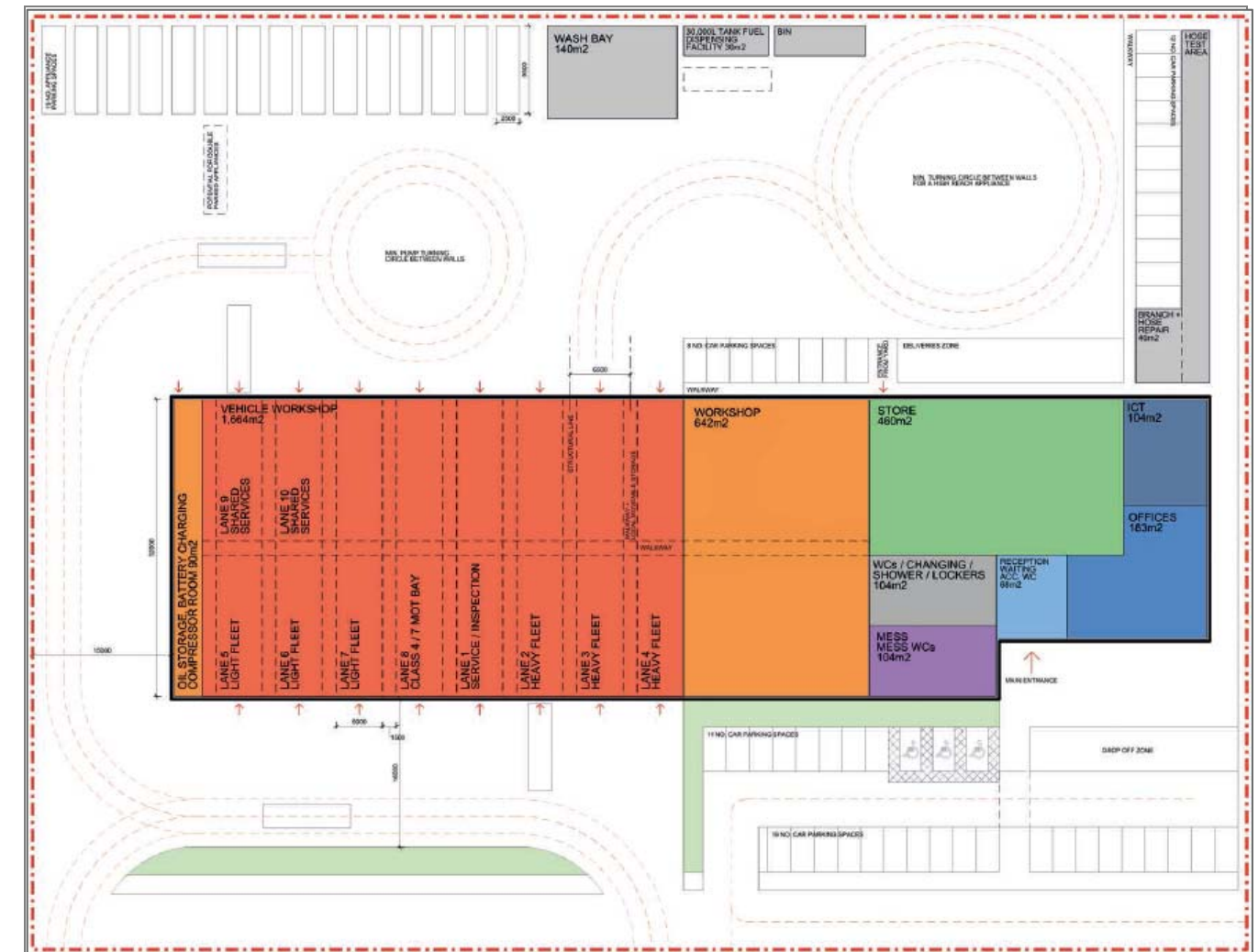
The site neutral model was informed by site visits to recently completed facilities in Newbridge and Dundee to understand the functionality and interdependencies of the different estate functions. For example, the physical configuration of facilities on a site can help to streamline operational efficiencies and exploit linkages between the differing estate functions of offices, stores, workshops and ancillary facilities. This design placement can assist in maximising the efficiency of the building footprint, construction costs and land take.

The outcome from this exercise is contained fully in the Keppie Design Site Appraisals Report dated October 2017 (Appendix 1). This document illustrates the site neutral model and contains the design assessment of the alternative sites considered in the site option appraisal.

Figure 3 below translates conceptual modelling into a site neutral building model to demonstrate the scale of the proposed new accommodation and the physical relationships between the operational functions. The site neutral model takes no cognisance of any specific factors on potential development sites; it has been prepared to identify the ideal layout and thereby delivers maximum efficiency to assess the minimum land take.

The total accommodation requirements for the workshops, store and offices total 3,515sq.m. with 50 car parking spaces and associated yard areas. The land take for the site neutral model requires a site of 1.32 hectares (3.26 acres). ***It should be noted that the plan below and area above will require adjustment to accommodate an additional 200sq.m. ICT accommodation. The total area is therefore 3,715sq.m. All costs noted within this document do however include the cost of delivering this additional area.***

Figure 1: Site Neutral Massing Model



Existing Hamilton Site

The existing site in Hamilton is located on Bothwell Road and occupies a site of 2.4 hectares (5.9 acres). It is the established SDA for the West along with a fire station, associated training facilities and stores. The site benefits from good accessibility to the M74 J5 via the A725 (3 minutes) as well as ready access to the M73 and M8. Glasgow city centre can be reached in just under half an hour. Modern commercial (Class 4) office development lies immediately to the north of the site. A mix of Class 4 and Class 5 industrial development is situated on land to the south whilst Hamilton Racecourse is located immediately opposite the site to the east.

Redevelopment of the site to accommodate the ARC is considered further in a later section of the report but the following specific limitations should be noted:

- The fire station and yard will require to remain throughout the redevelopment period;
- The USAR/Training tower will require to be demolished and then reinstated at an alternative location on site;

The Option to reconfigure the existing Hamilton site is assessed further within the report.

Costs

Using the site neutral model, a construction cost model has been prepared to assess the likely construction costs associated with these new facilities. Clearly, each development site has specific challenges and some of these are discussed in the assessment of the site options in the following section of the report.

A pure construction cost for the site neutral model has been identified in the order of £5.814M. The breakdown of costs assumed in the site neutral model is as follows:

Table 1. Site Neutral Model Costs

Element	Cost (£)
Total Indicative Construction Costs	£4,851,512.00
Total Stage 1 Costs	£93,294.00
Total Stage 2 Costs	£180,276.00
Other Costs/Fees	£16,304.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,141,286.00
VAT	£1,028,257.00
TOTAL DEVELOPMENT COSTS	£6,169,543.00

The site neutral model has been used as a cost basis for the alternative site options discussed in the following pages. The following should however be noted:

- This budget cost is based on build rates for similar facilities based on the feasibility design and should be treated as an indicative budget for comparison purposes at this stage;
- The budget makes no specific allowance for site abnormalities that may be experienced for dealing with contaminated ground or mine workings. The model also assumes that public utilities infrastructure is in place;
- The site neutral model also assumes the most efficient layout of the facilities. Each individual site will have different challenges that may lead to a less efficient layout and as such an increased site/building area.

Each site has specific advantages and limitations that will impact upon the development cost accordingly. The option to develop the ARC on a new site is considered further in Section 4.0 of this report.

OPTION 2 | Refurbishment Option

The further option considered within this report is the purchase of an existing building and modifying this to meet the technical requirements of SFRS for an ARC facility. This approach has recently been adopted on the Dundee project where this outcome has been achieved successfully. The following challenges are present:

- The ARC facility demands a relatively high clear zone to steelwork to accommodate maintenance of fire tenders. The alternative of constructing service pits is a further technical challenge as this requires breaking out of existing building slabs and the use of pits is not the preferred approach for health & safety reasons;
- A large yard area is required for both storage and turning of fire tenders external to the building;
- Modification costs can be significant depending on the present configuration of the building, particularly as the brief for Glasgow is a significantly larger facility than that delivered recently in Dundee.

Development of a site neutral model for the reconfiguration of an existing building is not possible as each property is different. However, the principles of the site neutral model have been used when considering alternative buildings. The option to purchase and modify an existing building is considered further within Section 5.0 of this report.

4. OPTION 1 | RELOCATION & NEW BUILD

Introduction

A major focus of this feasibility exercise has been the identification of suitable alternative site options for the new facility. The following parameters were established at the outset of this exercise:

- The “stay-put” option on the existing Hamilton site required to be fully considered and compared with alternative options.
- A geographical preference was identified by SFRS for North Lanarkshire. As such the area of search focussed on the M73/M74/M8 zone of confluence and potential options in SE Glasgow and South Lanarkshire were not explored further.
- A further geographical consideration was the service area, in particular, distance for vehicles travelling from the West coast and also maintaining separation from the East facilities in Newbridge. A preference was identified to limit the search of North Lanarkshire to a radius of 15 miles from Glasgow City Centre and this further narrowed down the area of search.

Despite the original brief requirements noted above, a further option was tabled comprising a vacant site adjacent to SFRS’ Scottish Headquarters facility in Cambuslang. This site has now been included within the assessment of options accordingly.

Development of Long List

Based on the foregoing parameters, a site search was undertaken by Cushman & Wakefield on behalf of SFRS. This search comprised:

- Distribution of a call for sites and requirements list to all local Agents acting for landowners who may be able to accommodate the requirements.
- Dialogue with Scottish Enterprise and North Lanarkshire Council to identify any specific site availability that may not be known to local Agents.

The outcome of this initial site search was the identification of 16 alternative site options, many of which were unsuitable for the requirement. The attributes of each site and an assessment as to how well each option met the agreed evaluation was undertaken at a workshop meeting held with SFRS, Cushman & Wakefield and Keppie Design in May 2017. Details on the long list sites including the reasons for discounting are contained in Table 2.

Table 2: Long List of Options

Option	Description and Summary Assessment	Status
1	Location: Hamilton, Bothwell Road ('Test Case') Vendor: SFRS Freehold Summary assessment: Carried forward to short list for Test Case purposes.	Shortlisted
2	Location: Westfield Industrial Estate Vendor: Henry Boot Developments Summary assessment: Discounted by SFRS due to poor public transport connectivity; site narrow in depth; overhead pylons may prohibit development in areas.	Rejected
3	Location: Eurocentral, Plot T (5.7 acres) or Plot R (up to 40 acres) Vendor: Scottish Enterprise Summary assessment: Discounted by SFRS due to location considered to be too far east.	Rejected
4	Location: Eurocentral, Plots H, I J & K (5 – 11.8 acres) Vendor: Muse Developments Summary assessment: Discounted by SFRS due to location considered to be too far east.	Rejected

Option	Description and Summary Assessment	Status
5	Location: Development site, M73 Link Road, Gartcosh Vendor: Private tbc Summary assessment: Discounted by SFRS as being unsuitable due to surrounding residential.	Rejected
6	Location: Laverock Knowe Quarry, Raebog Road, Glenmavis Vendor: Private tbc Summary assessment: Discounted by SFRS due to likely planning hurdles - currently zoned as Green Belt and a Site of Importance for Nature Conservation.	Rejected
7	Location: West Site, Strathclyde Business Park Vendor: HFD Property Group Ltd Summary assessment: Discounted by SFRS due to backlying location and accessibility issues.	Rejected
8	Location: Goil Avenue, Righead Industrial Estate, Bellshill Vendor: Russell Transport Logistics Summary assessment: Carried forward to short list due to compatible location within established industrial estate and good accessibility to the M74, M73 and M8 motorways.	Shortlisted
9	Location: Wardpark South, Cumbernauld Vendor: Private Summary assessment: Discounted by SFRS due to location, lack of visibility and site prominence.	Rejected
10	Location: Glencryan Road, Carbrain Industrial Estate, Cumbernauld Vendor: Private Summary assessment: Discounted due to location, lack of visibility /prominence.	Rejected
11	Location: Gartcosh Business Interchange Plot 1A West Vendor: Fusion Assets Summary assessment: Carried forward to short list due to compatible location within established industrial estate and good accessibility to the motorway network. Site has been levelled and remediated with road infrastructure in place.	Shortlisted
12	Location: Belgowan Street, Bellshill North, Bellshill Vendor: Clowes Developments Summary assessment: Discounted by SFRS due to concern over pricing and deliverability.	Rejected
13	Location: Compass House, Tannochside Business Park Vendor: TBC Summary assessment: Discounted by SFRS due to site being too small.	Rejected
14	Location: Carlisle Road, Airdrie Vendor: Daltons Summary assessment: Discounted by SFRS due to location, potential contamination risk and residential surrounding environment.	Rejected
15	Location: Albion Rovers Football Club, Main Street, Coatbridge Vendor: North Lanarkshire Council Summary assessment: Discounted by SFRS due to concern over timescales and deliverability.	Rejected
16	Location: Gartcosh Business Exchange, Gartcosh Plot 1A East Vendor: Fusion Assets/ Scottish Enterprise Summary assessment: Carried forward to short list due to compatible location within established industrial estate and good accessibility to the M73 and M8 motorways.	Shortlisted
17	Location: Gartcosh Business Exchange, Gartcosh Plot 3 Vendor: Fusion Assets/ Scottish Enterprise Summary assessment: Carried forward to short list due to compatible location within established industrial estate and good accessibility to the M73 and M8 motorways.	Shortlisted
18	Location: Westburn Drive, Cambuslang Vendor: Owned by SFRS Summary assessment: Included within Short List	Shortlisted

Critical Success Factors

To assess the site options, several critical success factors were identified in consultation with SFRS. These were:

- Site Ownership/Acquisition Issues – consideration of the ownership and likely pricing of the site and any anticipated acquisition complexities. Strong preference for public owned sites without requirement for land assembly or prolonged negotiations.
- Consistency with Planning Policy – consideration of the land use allocation of the site in the relevant local development plan and the deliverability of planning permission for the new facilities;
- Suitability of Site Size and Shape – the site must have the capacity to accommodate the site neutral model set out within Section 3 of this report without excessive modification and abnormal cost. SFRS has also advised that it cannot ‘land bank’, therefore optimal site size is likely to be 1.35 hectares or slightly less.
- Presence of Enabling Infrastructure – if enabling infrastructure is known to be present on the site this will assist in project delivery timescales;
- Site Complexity/Construction Abnormals – a consideration of best value including an assessment of the site cost and a high-level assessment of any site specific abnormal costs;
- Neighbourhood Suitability – consideration of the site’s relationship with surrounding land uses
- Accessibility/Public Transport – the availability and accessibility to the public transport network to assist travel of personnel to and from the new facilities;
- Visibility – as a headquarters facility, the location should have visibility and prominence;
- Aspect – related to visibility and ensuring that the new facility can be suitably located on a site to ensure high amenity aspect;
- Delivery Timescales – deliverability on programme terms – the aim is for the project to commence on site no later than April 2019. Given this timeline, a factor for consideration is the limitation of the site area under the 2 hectare threshold that would trigger a ‘major’ planning application in accordance with Scottish Planning Regulations;
- Business Disruption – consideration of disruption issues to on-going business operations.

Short List

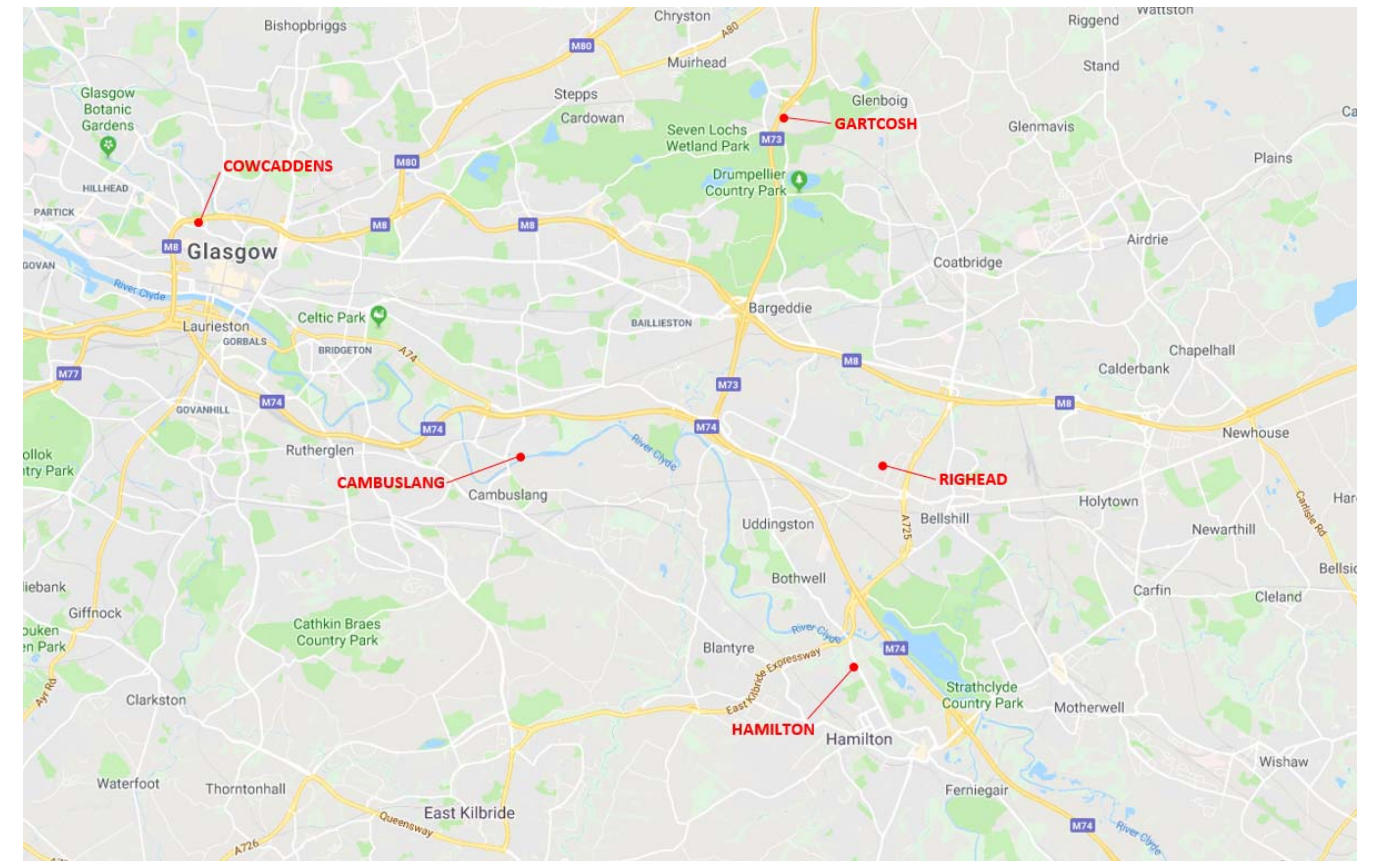
Having undertaken an initial assessment of this long list of sites, the short-listed options considered for further appraisal are shown below in Table 3.

Table 3: Short List of Options

Option No.	Description
1	Hamilton, Bothwell Road (‘Test Case’)
8	Bellshill, Righead Industrial Estate
11	Gartcosh Business Interchange Plot 1A West
16	Gartcosh Business Interchange Plot 1A East
17	Gartcosh Business Interchange Plot 3
18	Westburn Drive, Cambuslang

The location of the existing and short-listed sites is shown in Figure 4.

Figure 2: Location of Sites in Options Short List



Each of the short-listed options has been visited, photographed and preliminary information on title, ownership, availability, current planning position, serviceability and access has been collated.

The ability of each site to accommodate the new facility of the West ARC has also been tested through layout modelling by Keppie Design. The full details of the design assessment are contained in their Site Appraisal Report (October 2017) within Appendix 1 and summarised in the comparative assessment of each site.

NEW SITE OPTION 1: HAMILTON, BOTHWELL ROAD ('TEST CASE')

The following are the key site parameters:

Site Size	2.4 hectares (6 acres)
Ownership	SFRS
Price	n/a

Site Description

The existing facility is located on Bothwell Road in Hamilton, occupying a site of 2.37 hectares). It is the established service delivery area for the West with fire station, associated training facilities and stores. The site benefits from good accessibility to the M74 J5 via the A725 (3 minutes) as well as ready access to the M73 and M8. Glasgow city centre can be reached in just under half an hour.

The site is currently served by a single point of access and egress onto Bothwell Road to the east. An area of mature and protected woodland lies to the West of the site. Modern commercial (Class 4) office development lies immediately to the north of the site. A mix of Class 4 and Class 5 industrial development is situated on land to the south whilst Hamilton Racecourse is located opposite the site to the east beyond Bothwell Road.

Figure 3: Aerial photograph of Bothwell Road, Hamilton ('Test Case')



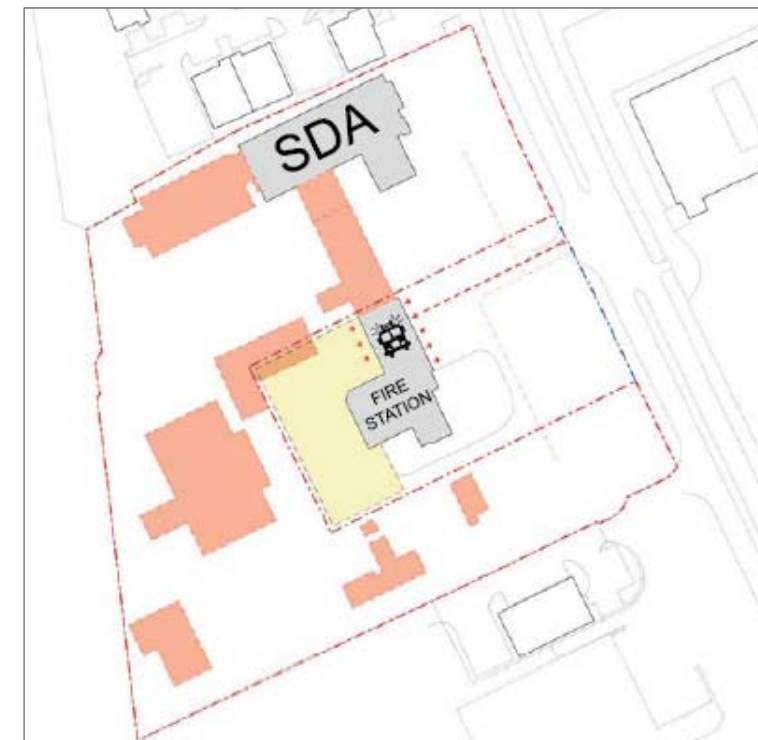
Site Disposal Option

Detailed consideration was given to the potential disposal of the Hamilton site within the previous report in June 2017. This report is however focussed on the development of a new ARC facility and as such the existing SDA facility will require to be retained on the Hamilton site. Disposal of this site is not therefore an option under consideration and as such no capital receipt will be available for SFRS.

Indicative Site Modelling

The Keppie Design indicative site modelling of the Hamilton site assumes a phased staff decant and demolition of buildings shown in Figure 6 below in red and retention of the existing fire station and appliance bay. No provision has been made for works to the existing SDA within this report (refer to the previous report dated June 2017 where this option is considered in detail). The proposals do assume upgraded car parking facilities to 200 spaces. This is over the 160 car spaces in the site neutral model and would be subject to attaining the necessary permissions from South Lanarkshire Council.

Figure 4: Keppie Design Bothwell Road, Hamilton Proposed Demolition Plan



The indicative site plan in Figure 5 below demonstrates a red line boundary land take of 1.86 hectares (4.86 acres).

Figure 5: Keppie Design Bothwell Road, Hamilton Indicative Site Modelling



Alignment with Site Neutral Model

There are several challenges associated with achieving the site neutral model layout on the Hamilton site as a consequence of accommodating the new facilities around the existing accommodation. The headline challenges are as follows:

- The dimensions of the site cannot accommodate the site neutral model layout. As the site neutral model has been designed to be as efficient as possible in terms of occupation and build cost, the proposals for the Hamilton site will be less efficient.
- The proposal is to retain some of the existing buildings to accommodate the existing SDA. From initial site assessment, the proposals have been drawn on logical building splits to mitigate temporary works where possible. **No allowance has been made for modifications to the existing building and this will require to be tested in detail to assess whether this will meet SFRS' requirements.**
- The proposals demonstrate shared yard facilities between the existing yard facilities and the ARC that will require to be considered carefully from an operational perspective.
- **No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.**

Redevelopment Potential/Risks

The Hamilton site has several site and operational constraints which should be acknowledged:

- The single point of entrance/egress into the site from Bothwell Road affords limited segregation of appliance, staff vehicles and blue light traffic. A second point of access into the site from Bothwell Road to improve segregation may not be acceptable to the Local Authority. Alternative access points may not be deliverable legally due to third party ownership. Segregation of construction traffic would also be challenging during a redevelopment programme.
- The site is physically constrained; it is bound by industrial development to north and south and by mature protected woodland to west which prevents further expansion into these areas.
- The required new facilities would require to be sited entirely to the rear of the existing buildings. This development platform would be irregularly proportioned and sloping. For SFRS infrastructure, gradients should not exceed 1 in 12 for areas of hard standing. It is likely that there would be inadequate space for yard, dual access to vehicle workshop and appliance turning without sharing the fire station yard. The increase in accommodation on the site would also necessitate a potential upgrade to existing site infrastructure to reflect the increase in site capacity and usage.
- The final challenge is the required redevelopment of the site whilst it remains operational. Short term relocation of personnel may be required. It is anticipated that the development programme will be 6-9 months longer than one of the new sites

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 4: Hamilton, Bothwell Road – Potential Development Costs

Element	Cost
Total Indicative Construction Costs	£7,314,961.00
Total Stage 1 Costs	£117,798.00
Total Stage 2 Costs	£248,914.00
Other Costs/Fees	£24,576.00
SUB-TOTAL OF DEVELOPMENT COSTS	£7,706,249.00
VAT	£1,541,250.00
TOTAL DEVELOPMENT COSTS	£9,247,499.00

The cost model for this existing Hamilton site is significantly more than the site neutral model, the variances generally being:

- An increased allowance has been included for Site Clearance, because of the demolition of the existing buildings;
- Due to the sloping nature of the site, an allowance has been included for retention of ground to facilitate development;
- A significant cost will be incurred for breaking out areas of existing hardstanding not required on the vacant sites;
- The development of Hamilton will require relocation of the existing USAR and training tower onto a new location on the site, costs not incurred on the other sites;
- An enhanced provision has been made for preliminaries costs (e.g. site management, etc.) as redevelopment of the Hamilton site will be significantly more complex (e.g. retaining the operational fire station) and the programme will be longer accordingly.
- No allowance has been included for any works to the existing SDA building.

NEW SITE OPTION 8: BELLSHILL, RIGHEAD INDUSTRIAL ESTATE

The following are the key site parameters:

Site Size	2.81 hectares (6.96 acres)
Ownership	Russell Logistics
Price	£90,000 - £100,000 per acre

Site Description

The Option 8 site is located on the western side of Righead Industrial Estate in Bellshill. Righead Industrial Estate is located to the east of Glasgow City Centre by approximately 12.6 miles (26 minutes' drive). The estate is positioned adjacent to the A725 Bellshill bypass and is well situated with access provided to the M8 and M74 motorways via the A725. Righead Industrial Estate is a well-established and successful industrial and trade location.

The site extends to 2.81 hectares (6.96 acres) and is currently privately held under 2 titles. Local access to the site is via Melford Road, Katrine Avenue and Goil Avenue (the latter being a no through road).

Whilst the ARC facilities do not require the full site area, it is expected that the full site would require to be purchased as there appears to be no obvious route to splitting the site.

Figure 6: Aerial photograph of Option 8 - Bellshill, Righead Industrial Estate



This site is not particularly visible as it is located on the western edge of the industrial estate. There is residential housing to the west of the site beyond a mature belt of woodland. However, this plot is one of the few remaining sizeable development opportunities at Righead. The distributor standard road frontage along Goil Road is rather narrow (at 47m) but it could be upgraded and extended at additional cost. Bellshill Fire Station is located 300m to the east on Old Edinburgh Road. To the south of the site are the bonded warehouses of Morrison Bowmore Distillers used for the storage of spirits.

Advice from North Lanarkshire Council and HSE should be sought on any exclusion zone around these warehouses which may prohibit the density and type of development permissible.

Bus services are available on Old Edinburgh Road (B7001) (7 minutes' walk from the site) with travel times to Glasgow at approximately 57 minutes. Bellshill Train Station is 1.4 miles (25 minutes' walk) from the site with regular train services running to Glasgow Central station.

The internal road network is privately owned and is not of the same standard as modern estates like Eurocentral or Gartcosh. There are some problems with daytime on-street parking and signage cautioning against overnight parking was noted. This could potentially be a problem for an emergency service. Otherwise the land appears ready and available for early development and situated within an established industrial area. SI reports are available.

Services are understood to be running along Katrine Avenue and Goil Avenue, however this will require verification. Foul and storm water drainage appears to be running to the front of the site, however, further investigations to establish capacity will be required. Any requirement for on-site SUDS would reduce the land area available.

Site Value

The site is currently owned by Russell Logistics and appears to have been held in its ownership since approximately 2003/2004. The site extends to 6.96 acres and is presently being marketed at offers in excess of £1,000,000, reflecting £143,678 per acre.

Due to the established nature of Righead Industrial Estate and the lack of speculative development activity over recent years there has been very little transactional evidence to source comparable data, however a broader search of the market provides better transactional data to draw from, including the following:

- June 2013 – 90 Bellshill Road, Bothwell. An undisclosed purchaser acquired the site, extending to 2.64 acres for £320,000, reflecting £121,212 per acre. The site is back lying from the main access road however benefits from being partially surfaced, with good prominence onto the adjacent M74 Motorway.
- Feb 2017 – Plots C-G, Rutherglen Links, Rutherglen. Clyde Gateway has sold a total of 6.25 acres of fully serviced sites sold for between £120,000-150,000 per acre to Harris Finance. The sites were sold in tranches however achieved below asking of £175,000 per acre.
- Oct 2012 – Western Campus, Strathclyde Business Park. 3.6 acres acquired by Fusion Assets from Strathclyde Business Park (Development) Ltd for £426,650 reflecting £118,514 per acre.
- Jan 2016 – Hillhouse Road, Hillhouse Industrial Estate, Hamilton. Former milk production plant. Site has been cleared and levelled. Industrial site allocated for retail use under the adopted local plan, however the proposed use is understood to be for residential development. The site, extending to 4.46 acres, sold for £375,000 reflecting a rate of £84,081 per acre.

Whilst Righead Industrial Estate is an established industrial location, the subject site at Goil Avenue is not prominent within the estate with relatively tight access and egress from the single point of access via Katrine Avenue, and poor prominence to the road frontage.

As a result, the quoting figure of approximately £144,000 per acre seems over-stated. Cushman & Wakefield advises that a gross figure of £90,000-100,000 per acre (applied to the net area) is more appropriate starting point for negotiation.

Planning Context

North Lanarkshire Council planning records confirm that the adjoining land to the south benefits from hazardous substances consent, related to the storage of whisky. Part of the site previously benefited from planning permission for a storage and distribution building but it is unclear if the permission was implemented. This consent has probably lapsed. There are no recent records of planning applications for the site of relevance.

The statutory development plan is the North Lanarkshire Local Plan adopted in 2012. A new development plan is under preparation by North Lanarkshire Council. No significant policy changes relevant to this site are anticipated.

The site currently falls under Policy ED12A Industrial and Business land use allocation which supports the promotion and take up of the site for industry and business.

As the site has not been disturbed for some time, if this option were selected for further investigation a walkover ecology survey would be advisable to rule out the presence of any protected flora or fauna that could complicate or delay the planning process. This is a low risk factor but undisturbed wooded sites do have the potential to host species or provide habitat to species that are protected. Early ecological assessment will mitigate the risk of factors that can complicate or delay the planning process.

An application on the full site extent would be handled as a 'major' planning under the hierarchy regulations. This will extend the SFRS's indicated programme due to the statutory pre-application consultation process. The statutory period for determination would also be extended.

Indicative Site Modelling

The Keppie Design indicative site modelling (Figure 9) shows a red line boundary land take of 1.84 hectares (4.55 acres). However, it is expected that the full site area of 2.81 hectares would require to be purchased. The layout also allows for a provision of 50 car parking spaces. The private road to the south of the site would also require to be upgraded.

Alignment with Site Neutral Model

The site neutral model is significantly smaller than the available site area and as such there will be significant areas of site purchased that will require to be maintained. A zone for future parking extension is identified if required. This area differential will also lead to additional costs for site clearance and external works, and ongoing maintenance/running costs.

No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.

Figure 7: Keppie Design Righead Industrial Estate Indicative Site Modelling



Redevelopment Potential/Risks

The Righead site would appear to be a deliverable solution to meeting SFRS's requirements however, the following are worthy of consideration:

- Site access is built to historic standards for an industrial estate and is therefore sub-optimal. This may present some challenges with construction access and deliveries, whilst also presenting potential future operational challenges.
- Site Investigation information is available for the site but has not been reviewed in detail at this point as part of this exercise. Indications are that significant abnormal costs would not be anticipated.
- The private site ownership, from a private owner, may lead to a more prolonged process of pre-purchase negotiation (if value expectations are inflated) which has the potential to impact on the development programme to some degree, however, the site is being openly marketed and a willing and realistic seller is assumed.
- The area to be purchased is in excess of requirements.

Development Costs

A review has been undertaken of potential Development Costs as summarised below in Table 5.

Table 5: Bellshill, Righead Industrial Estate – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£5,338,551.00
Total Stage 1 Costs	£98,129.00
Total Stage 2 Costs	£193,819.00
Other Costs/Fees	£17,936.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,648,435.00
VAT	£1,129,687.00
TOTAL DEVELOPMENT COSTS	£6,778,122.00

The cost model for the Bellshill, Righead Industrial Estate site is more than the site neutral model, the variances generally being the enhanced site area which is significantly larger than the assumed site neutral model leading to additional site clearance costs, hardstanding costs, and general external landscaping for fencing, CCTV, etc. Actual building costs are aligned with the site neutral model.

The above allowances exclude any site purchase/disposal costs that require to be considered. These are considered further within the overall financial assessment later within this report.

NEW SITE OPTION 11: GARTCOSH BUSINESS INTERCHANGE PLOT 1A WEST

The following are the key site parameters:

Site Size	2.56 hectares (6.32 acres)
Ownership	Fusion Assets
Price	£100,000 - £125,000 per acre

Site Description

Gartcosh Business Interchange is a 50 hectare strategic business location situated off a dedicated link (Junction 2A) of the M73 motorway. The site has excellent links to the M74, M8 and M80. The land forms part of the former Gartcosh Steelworks. Most of the land has already been remediated and serviced through Economic Development Agency Scottish Enterprise.

Maryville interchange is approximately 4 km distant. Gartcosh park and ride railway station is located 0.4 miles from the Plot 1A (approximately 8 minutes' walk) and is on the Glasgow Queen Street – Falkirk line. This line provides regular train services every 20-30 minutes with travel times between 19-27 minutes. Gartcosh 310 bus service (Moodiesburn – Shettleston) provides regular bus services to Glasgow City Centre. Travel times are between 18-27 minutes. City Deal investment has proposed an improved road link between Gartcosh Business Interchange, the rail halt and the community of Glenboig.

Planning Context

The Gartcosh Masterplan provides an approved Development Strategy for the entire site and together with the Environmental Impact Assessment forms the basis of the Outline Planning Consent that was granted for the site by North Lanarkshire Council in 2002. The masterplan is shown in Figure 10. The regeneration of Gartcosh has attracted some attention because of the presence of Great Crested Newts on parts of the site now dedicated to nature conservation. The Gartcosh Local Nature Reserve, which holds Scotland's largest population of Great Crested Newts, wraps around the eastern, northern and the part of the southern edge (south of the railway line) of the business park. However, the development sites within the business park are buffered from the Nature Reserve by a metallised walkway, approximately 2m wide, and by a concrete barrier which has been installed around the perimeter of the Nature Reserve to prevent Great Crested Newt and other amphibians from entering open areas to the south of the Reserve.

The ecological risk is therefore low but the planning authority should be consulted and the design team must seek ecological advice to understand the potential implications for the submission of an application on any sites within the business park in order to mitigate the risk of potential planning delays.

Contamination and shallow mine workings are also issues that would need to be addressed if any of the alternative sites at Gartcosh merit further consideration. A technical pack has been received which can be reviewed further should any option within the business park be selected as a preferred site option.

The first phase (Plot 1A) was acquired by Fusion Assets for industrial development. Plot 1A West extends to 2.54 hectares and has planning approval (Planning Ref: 13/01972/FUL) for approximately 60,000 sq. ft. of industrial accommodation as shown in Figure 11. The plot occupies a prominent position at the entrance to Gartcosh Business Exchange to the east of Auldyards Road. It is understood that Fusion Assets is close to agreeing a JV for Plot 1A which is due to conclude imminently.

Figure 8: Gartcosh masterplan



Figure 9: Fusion Asset's consented site Plot 1A



Plot 1A is platformed, remediated and serviced. The seller advises that additional site abnormalities have been incurred throughout the initial enabling works. Fusion Assets would look to recover some of these additional outlays. Any sale would require Scottish Government sign off. It is considered that North Lanarkshire Council as Planning Authority would likely respond positively to another headquarters buildings at the Gartcosh Business Exchange adjacent to the new National Crime Campus. Sites that are allocated for business and industry with the benefit of planning permission are relatively low risk in planning terms.

Site Value

Scottish Enterprise has quoted £125,000 per acre for the various sites available within Gartcosh Business Exchange, albeit this is a headline price. There are limited direct comparable sales within the business park, with the most recent being as follows:

- January 2017 – Sale of 2.765 acres of land adjacent to the new Glenboig link road from Scottish Enterprise to North Lanarkshire Housing. Land sold to facilitate new Glenboig to Gartcosh link road. North Lanarkshire Council acquired the site for £450,000 which reflects a rate of £162,749 per acre. The nature of the sale is primarily to release land to stimulate new residential housing supply and therefore is not directly comparable
- September 2014 – Sale of 6.25 acres (gross) of Site 1A, Gartcosh Business Exchange from Scottish Enterprise to Fusion Assets. Net acreage equated to approximately 5 acres and net price reflected £100,000 per acre. Site sold assuming no abnormalities, however Fusion have identified several abnormalities since acquiring, including settlement, a requirement for a gas membrane, grouting, and maintenance of the existing newt fence.

Based on the above evidence, a headline rate of £100,000 per acre subject to deductions for any abnormalities would appear to be an appropriate level to start discussions.

Indicative Site Modelling

The Keppie Design indicative site modelling (Figure 12) shows a red line boundary land take of 1.61 hectares (3.99 acres). The layout allows for a provision of 50 car parking spaces. The location of access and egress into the site would need to be agreed with the planning authority.

It is presently assumed that the full Plot 1A West Site would require to be purchased as the proposals would leave an irregular area. Some negotiation may be possible with the landowner in due course to purchase a smaller site area.

Figure 10: Keppie Design Gartcosh Business Exchange Plot 1A West Indicative Site Modelling



Alignment with Site Neutral Model

The site neutral model fits effectively on the site without amendment. The overall site area is around 50% larger than required for the site neutral model. This will lead to additional costs for site clearance and landscaping, and ongoing maintenance/running costs unless an alternative reduced area can be purchased.

No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.

Redevelopment Potential/Risks

The development of Plot 1A West is expected to be the most straightforward of all the development options. It is understood that Fusion Assets has already undertaken site remediation and preparatory works and as such no significant risks beyond normal construction risks are anticipated with the redevelopment.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 6: Gartcosh Business Exchange Plot 1A West – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£5,127,393.00
Total Stage 1 Costs	£96,028.00
Total Stage 2 Costs	£187,933.00
Other Costs/Fees	£17,226.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,428,580.00
VAT	£1,085,716.00
TOTAL DEVELOPMENT COSTS	£6,514,296.00

The cost model for this Gartcosh site is more than the site neutral model, the variances generally being the enhanced site area which is significantly larger than the assumed site neutral model leading to additional site clearance costs, hardstanding costs, and general external landscaping for fencing, CCTV, etc. Actual building costs are aligned with the site neutral model.

The above allowances exclude any site purchase/disposal costs that require to be considered. These are considered further within the overall financial assessment later within this report.

NEW SITE OPTION 16: GARTCOSH BUSINESS INTERCHANGE PLOT 1A EAST

The following are the key site parameters:

Site Size	2.40 hectares (5.93 acres) Required – Total Area 12.80acres
Ownership	Scottish Enterprise
Price	£100,000 - £125,000 per acre

Plot 1A East is directly adjacent to Plot 1A West in Option 11 and benefits from the same locational advantages within the Gartcosh Business Exchange. The local development plan policy considerations are the same as for Plot 1A West which support the development of the site for SFRS purposes. Discussions with both Scottish Enterprise and Fusion Assets have confirmed that Fusion Assets has an interest to extend its scheme from Plot 1A West into this area.

This second phase could include two additional speculative units of approximately 40,000 sq. ft. Discussions are understood to be ongoing between Scottish Enterprise and Fusion Assets who are hopeful of progressing this transaction subject to confirming budgets. As such, this section of Site 1A poses a risk of being secured prior to SFRS being able to conclude the necessary due diligence to secure the sale of the site.

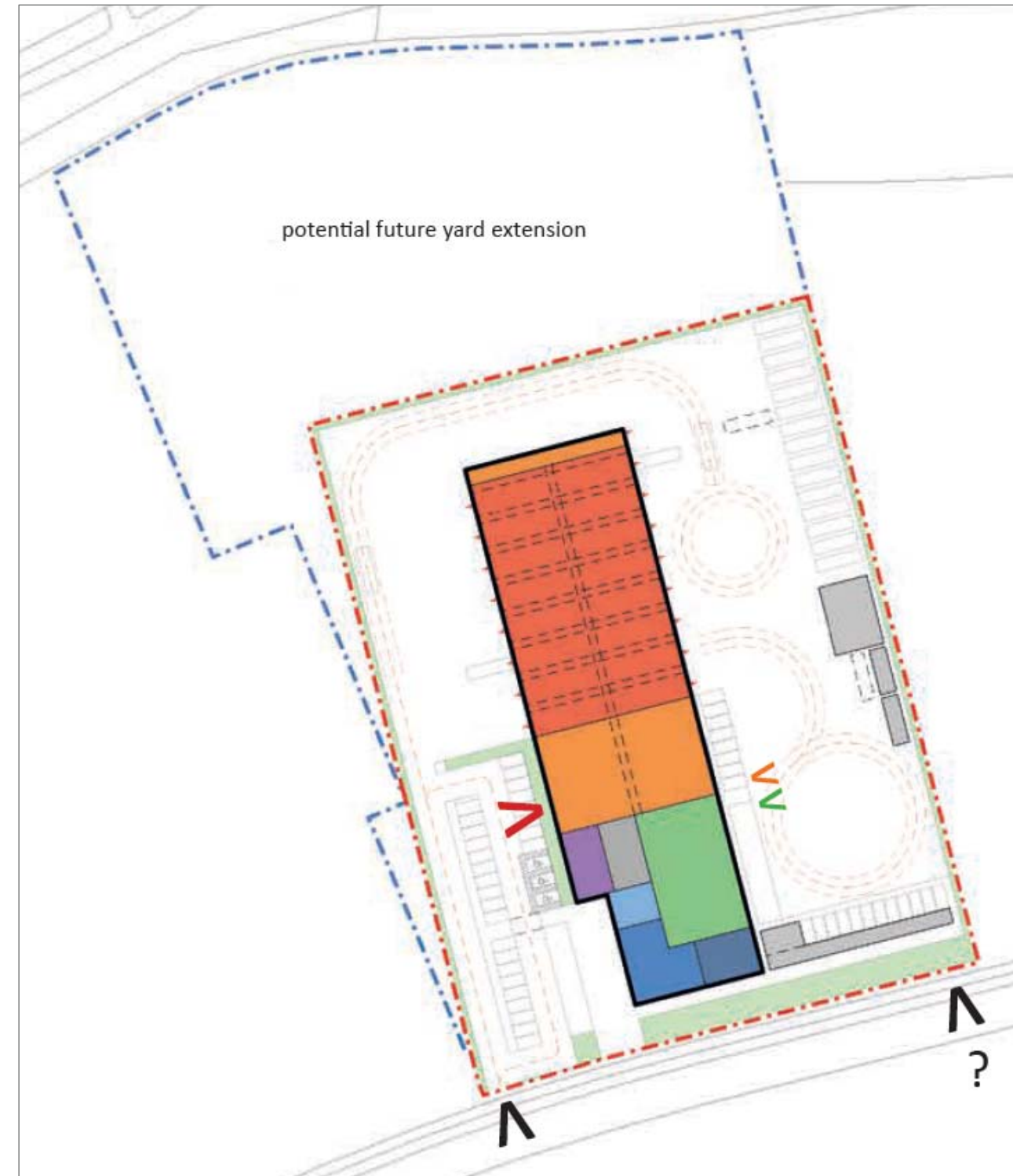
Figure 11: Aerial photograph of Plot 1A East



Indicative Site Modelling

The Keppie Design indicative site modelling (Figure 14) for Plot 1A East shows a red line boundary land take of 1.42 hectares (3.51 acres). The dashed blue line boundary shows the larger boundary line to Plot 1A East – it has been assumed that the total blue line boundary will require to be purchased but further negotiation may be possible to reduce this size.

Figure 12: Keppie Design Indicative Site Modelling for Plot 1A East



Alignment with Site Neutral Model

The site neutral model fits effectively on the site without amendment. The overall site area is larger than that required for the site neutral model which will lead to some increased costs for site clearance and landscaping, and ongoing maintenance/running costs.

No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.

Redevelopment Potential/Risks

The development of Plot 1A East is likely to require some site remediation and preparatory works, unlike the neighbouring site at Plot 1A West where these works have already been completed. It is anticipated that such abnormal costs will have the potential to be offset against the site price. Beyond such site preparation works, no further significant risks beyond normal construction risks are anticipated with the redevelopment.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 7: Gartcosh Business Exchange Plot 1A East – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£4,945,522.00
Total Stage 1 Costs	£94,218.00
Total Stage 2 Costs	£182,863.00
Other Costs/Fees	£16,615.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,239,218.00
VAT	£1,047,844.00
TOTAL DEVELOPMENT COSTS	£6,287,062.00

The cost model for this Gartcosh site is marginally more than the site neutral model, the variances generally being the enhanced site area which is larger than the assumed site neutral model leading to additional site clearance costs, hardstanding costs, and general external landscaping for fencing, CCTV, etc. Actual building costs are aligned with the site neutral model.

The above allowances exclude any site purchase/disposal costs that require to be considered. These are considered further within the overall financial assessment later within this report.

NEW SITE OPTION 17: GARTCOSH BUSINESS INTERCHANGE PLOT 3

The following are the key site parameters:

Site Size	1.60 hectares (3.97 acres) Required
Ownership	Scottish Enterprise
Price	£100,000 - £125,000 per acre

Plot 3 at the Gartcosh Business Exchange extends to 13.67 hectares (33.77 acres) and is located to the west of the spine road Auldyards Road and has a high-profile location at the Gartcosh Business Exchange entrance, overlooking the M73 motorway and bordering the new park and ride railway station. The local development plan policy considerations are the same as for Plots 1A west and east. The entire site is zoned for business and the adjoining site is already occupied by the Police Service Crime Campus. The local planning authority is therefore expected to support another public service headquarters facility.

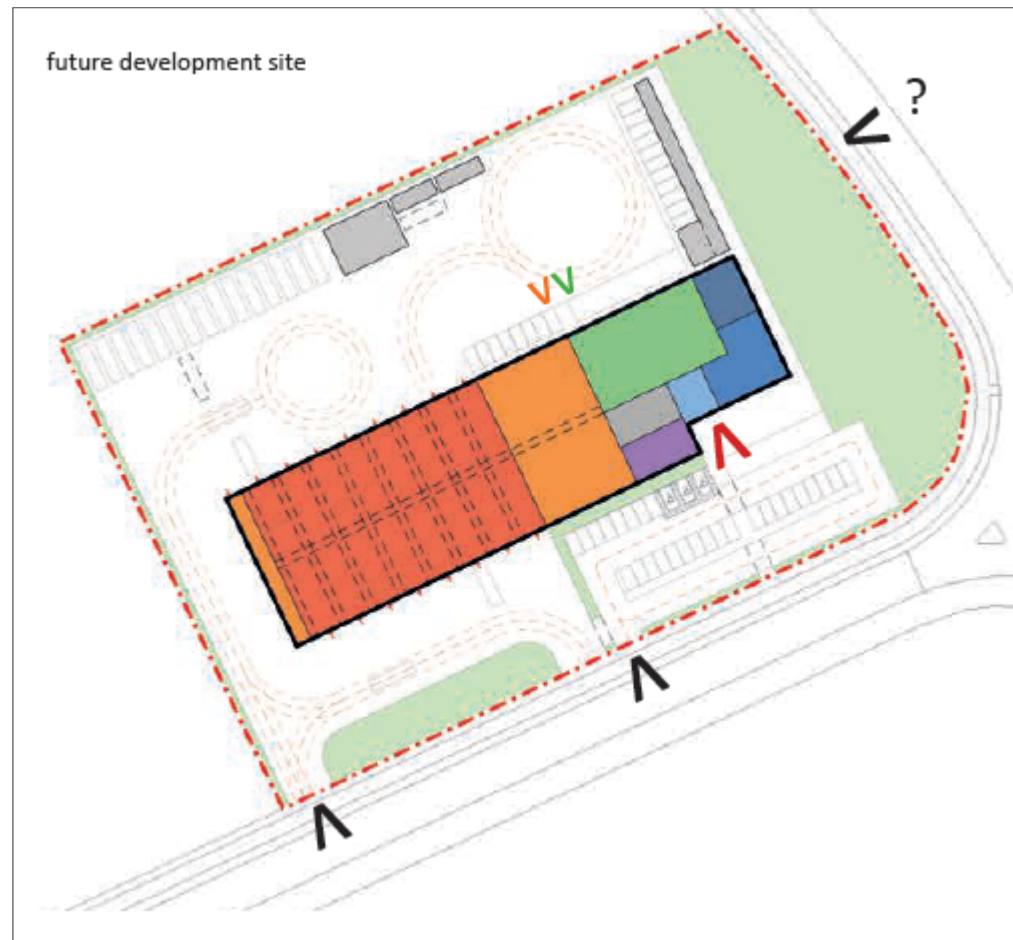
Figure 13: Plot 3 Gartcosh Business Exchange Site Context



Indicative Site Modelling

The Keppie Design indicative site modelling (Figure 16) shows a red line boundary land take of 1.60 hectares (3.97 acres). The layout allows for a provision of 50 car parking spaces. The location of access and egress into the site would need to be agreed with the planning authority.

Figure 14: Keppie Design Gartcosh Business Exchange Plot 3 Indicative Site Modelling



Alignment with Site Neutral Model

The site neutral model fits effectively on the site without amendment. The overall site area is closest to the assumed site neutral model of all the alternative site options albeit is still slightly larger leading to some additional costs.

No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.

Redevelopment Potential/ Risks

The development of Plot 3 is likely to require some site remediation and preparatory works, unlike the site at Plot 1A West where these works have already been completed. It is anticipated that such abnormal costs will have the potential to be offset against the site price.

Beyond such site preparation works, no further significant risks beyond normal construction risks are anticipated with the redevelopment. Due to the quality and prominence of this site the Planning Authority (or seller) may however insist upon a greater setback of roads and car parking from the main distributor road and enhanced landscaping around the periphery of the site than assumed by the model. This could increase the size of the application site and increase the cost of external works.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 8: Gartcosh Business Exchange Plot 3 – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£5,118,626.00
Total Stage 1 Costs	£95,940.00
Total Stage 2 Costs	£187,689.00
Other Costs/Fees	£17,197.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,419,452.00
VAT	£1,083,890.00
TOTAL DEVELOPMENT COSTS	£6,503,342.00

The cost model for Gartcosh Business Exchange Plot 3 is more than the site neutral model, the variances generally being the enhanced site area which is marginally larger than the assumed site neutral model leading to additional site clearance costs, hardstanding costs, and general external landscaping for fencing, CCTV, etc. Actual building costs are aligned with the site neutral model.

The above allowances exclude any site purchase/disposal costs that require to be considered. These are considered further within the overall financial assessment later within this report.

NEW SITE OPTION 18: SFRS HQ, CAMBUSLANG

The following are the key site parameters:

Site Size	1.63 hectares (4.03 acres)
Ownership	Scottish Fire & Rescue Service
Price	Not Applicable

The site in Cambuslang is already within SFRS' ownership, being adjacent to the National Headquarters facilities.

The total site area is more than the base requirements; however, the site is irregular in shape. The site is accessed directly from the A724 with easy access to the M74 and connecting to the M73 and M8.

The site itself is relatively level however retention may be required to the South East of the site. A '1 in 200 year' flood zone has been identified adjacent to the site but the facilities can be developed without impacting this zone.

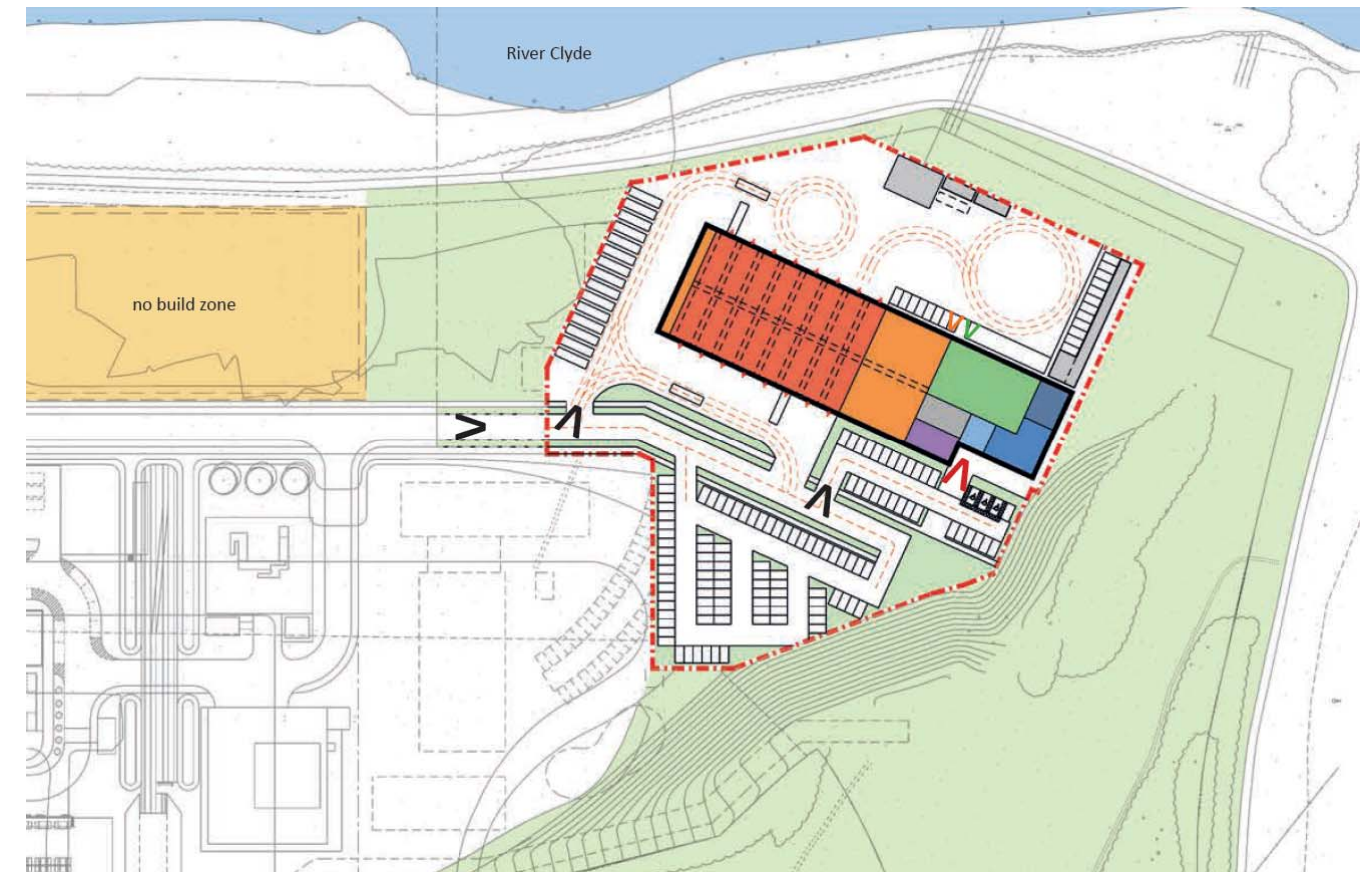
Figure 15: SFRS HQ, Cambuslang Site Context



Indicative Site Modelling

The Keppie Design indicative site modelling shows a red line boundary land take of 1.63 hectares (4.03 acres). The layout allows for a provision of 50 car parking spaces.

Figure 16: Keppie Design SFRS HQ Cambuslang Indicative Site Modelling



Alignment with Site Neutral Model

The site neutral model fits effectively on the site without amendment. The overall site area is larger than the site neutral requirement however, the facilities are accommodated effectively on the site.

No allowance has been made in the plan for the additional 200sqm of ICT space identified following completion of the drawings. The costs do however include for creating this space.

Redevelopment Potential/ Risks

It is understood that some remediation of the site has already been completed and as such the risks associated with the site should be reduced. It is not anticipated that there will be any statutory compliance issues with the site, albeit the proposals will require to align with the flood strategy prepared for the overall site.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 9: SFRS HQ Site, Cambuslang – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£5,186,426.00
Total Stage 1 Costs	£96,615.00
Total Stage 2 Costs	£189,579.00
Other Costs/Fees	£17,425.00
SUB-TOTAL OF DEVELOPMENT COSTS	£5,490,044.00
VAT	£1,098,009.00
TOTAL DEVELOPMENT COSTS	£6,588,053.00

The cost model for the Cambuslang site is more than the site neutral model, the variances generally being the enhanced site area which is marginally larger than the assumed site neutral model leading to additional site clearance costs, hardstanding costs, and general external landscaping for fencing, CCTV, etc. Actual building costs are aligned with the site neutral model.

The Cambuslang site benefits from being in the existing ownership of SFRS and as such no purchase costs are assumed to apply.

Qualitative (Non-Financial) Assessment

SFRS undertook a qualitative assessment of the short-listed options at a round table meeting on 1 June 2017 with Cushman & Wakefield and Keppie Design. This involved scoring the short-listed option against the agreed criteria set out above and listed further below:

- Site Ownership/Acquisition Issues
- Consistency with Planning Policy
- Suitability of Site Size and Shape
- Enabling Infrastructure Present
- Site Complexity/Abnormals for Construction
- Neighbourhood Suitability
- Accessibility/Public Transport
- Visibility
- Aspect
- Delivery Timescales
- Business Disruption

This assessment excluded the SFRS site in Cambuslang that has not been full assessed in comparison to the other sites.

The appraisal of each Option was undertaken live by SFRS team members with support from Cushman & Wakefield and Keppie Design.

The results of the Qualitative Non-Financial Appraisal are set out below in Table 9. The following should be noted:

- Each of the criteria noted above were considered in terms of their importance to SFRS and a weighting allocated to each accordingly
- Each of the sites was assessed from 1-10 against each of the criteria noted above
- Using the weighting established, a final score was identified for each of the sites.

The result of the Non-Financial Appraisal demonstrates that Site 3 at Gartcosh is the preferred location based on the quality assessment undertaken with a score of 682.50 albeit all of the Gartcosh sites scored positively. It should be noted however that this assessment excludes the existing SFRS site in Cambuslang that it is expected will score in a similarly positive manner to the Gartcosh sites.

Table 10: Qualitative (Non-Financial) Site Option Assessment

SITE ASSESSMENT			SCORING (Before Weighting)							SCORING (After Weighting)						
BENEFITS CRITERIA	WEIGHTING		Base Case	Hamilton Rd Bothwell Redevelopment	Goil Avenue Righead Ind Estate	Gartcosh Site 1A West	Gartcosh Site 1A East	Gartcosh Site 3	SFRS HQ Site Cambuslang	Base Case	Hamilton Rd Bothwell Redevelopment	Goil Avenue Righead Ind Estate	Gartcosh Site 1A West	Gartcosh Site 1A East	Gartcosh Site 3	SFRS HQ Site Cambuslang
1.00 Site Ownership/Acquisition Issues	7.50		10.00	10.00	4.00	7.00	7.00	7.00	10.00	75.00	75.00	30.00	52.50	52.50	52.50	75.00
2.00 Consistency with Planning Policy	10.00		10.00	10.00	7.00	8.00	8.00	8.00	10.00	100.00	100.00	70.00	80.00	80.00	80.00	100.00
3.00 Suitability of site size and shape	12.50		3.00	5.00	6.00	8.00	8.00	9.00	9.00	37.50	62.50	75.00	100.00	100.00	112.50	112.50
4.00 Enabling Infrastructure Present	10.00		10.00	5.00	5.00	5.00	5.00	5.00	8.00	100.00	50.00	50.00	50.00	50.00	50.00	80.00
5.00 Site Complexity/Abnormals for Construction	7.50		5.00	4.00	6.00	7.00	7.00	6.00	8.00	37.50	30.00	45.00	52.50	52.50	45.00	60.00
6.00 Neighbourhood Suitability	7.50		8.00	10.00	6.00	10.00	10.00	10.00	10.00	60.00	75.00	45.00	75.00	75.00	75.00	75.00
7.00 Accessibility/Public Transport	7.50		8.00	8.00	4.00	7.00	7.00	7.00	8.00	60.00	60.00	30.00	52.50	52.50	52.50	60.00
8.00 Visibility	5.00		4.00	9.00	2.00	6.00	6.00	7.00	6.00	20.00	45.00	10.00	30.00	30.00	35.00	30.00
9.00 Aspect	5.00		4.00	7.00	3.00	6.00	6.00	6.00	6.00	20.00	35.00	15.00	30.00	30.00	30.00	30.00
10.00 Delivery Timescales	7.50		8.00	6.00	6.00	8.00	8.00	8.00	10.00	60.00	45.00	45.00	60.00	60.00	60.00	75.00
11.00 Business Disruption	7.50		2.00	4.00	10.00	10.00	10.00	10.00	10.00	15.00	30.00	75.00	75.00	75.00	75.00	75.00
12.00 Suitability of Premises Delivered	12.50		2.00	8.00	10.00	10.00	10.00	10.00	10.00	25.00	100.00	125.00	125.00	125.00	125.00	125.00
TOTALS	100.00		74.00	86.00	69.00	92.00	92.00	93.00	105.00	610.00	707.50	615.00	782.50	782.50	792.50	897.50
RANKING										7	5	6	3	3	2	1

Quantitative (Financial) Assessment

It was agreed with SFRS that the Financial Assessment of the sites would be undertaken based on Day One costs with no consideration of recurring annual revenue costs. A high-level cost model has been developed by Cushman & Wakefield which uses the base construction costs identified for each of the sites, along with an associated assessment of property costs.

A summary of the cost model for each of the short-listed options is included in Appendix 4.

The base assumptions are:

- The budget construction costs are based on build rates for similar facilities based on the feasibility design and should be treated as an indicative budget for comparison purposes at this stage
- The budget makes no specific allowance for site abnormalities that may be experienced for dealing with contaminated ground or mine workings. The cost model also assumes that public utilities infrastructure is in place
- No allowance made for Agency or Legal fees or associated SDLT costs

- An allowance has been made against Option 1 (Hamilton) for temporary accommodation/migration costs associated with developing the project on an occupied site. It is anticipated that many of the personnel would require to be relocated into either temporary leased space or temporary accommodation. The allowance has not been investigated at this stage.
- No allowance has been made for works associated with decommissioning of the Hamilton site prior to any site disposal. It is understood that there may be costs associated with separating utility connections to ensure both the fire station and the remainder of the site are served by dedicated utility supplies.
- VAT has been applied to all costs

Table 10 summarises the day one costs of the six short-listed options.

Table 11: Summary of Financial Assessment

SITE OPTIONS FEASIBILITY COSTS	NEW SITE OPTION 1 Hamilton Existing SDA	NEW SITE OPTION 8 Bellshill Righead	NEW SITE OPTION 11 Gartcosh 1A West	NEW SITE OPTION 16 Gartcosh 1A East	NEW SITE OPTION 17 Gartcosh Plot 3	NEW SITE OPTION 18 Cambuslang National HQ
CONSTRUCTION COSTS	TOTALS	TOTALS	TOTALS	TOTALS	TOTALS	TOTALS
Total Indicative Construction Costs	£ 7,314,961	£ 5,338,551	£ 5,127,393	£ 4,945,522	£ 5,118,626	£ 5,186,426
Total Stage 1 Costs	£ 117,798	£ 98,129	£ 96,028	£ 94,218	£ 95,940	£ 96,615
Total Stage 2 Costs	£ 248,914	£ 193,819	£ 187,933	£ 182,863	£ 187,689	£ 189,579
Other Costs/Fees	£ 24,576	£ 17,936	£ 17,226	£ 16,615	£ 17,197	£ 17,425
SUB-TOTAL OF CONSTRUCTION COSTS	£ 7,706,249	£ 5,648,435	£ 5,428,580	£ 5,239,218	£ 5,419,452	£ 5,490,044
VAT @ 20%	£ 1,541,250	£ 1,129,687	£ 1,085,716	£ 1,047,844	£ 1,083,890	£ 1,096,009
TOTAL CONSTRUCTION COSTS	£ 9,247,499	£ 6,778,122	£ 6,514,296	£ 6,287,062	£ 6,503,342	£ 6,588,053
PROPERTY COSTS						
Site Acquisition Costs (Excl. Agents/Legal Fees)	£ -	6.39 Acres £ 639,000	6.32 Acres £ 632,000	5.93 Acres £ 593,000	3.97 Acres £ 397,000	£ -
Estimated Capital Receipt (Excl. Agents/Legal Fees)	£ -	£ -	£ -	£ -	£ -	£ -
Temporary Accommodation/Migration Costs	£ 100,000	£ 639,000	£ 632,000	£ 593,000	£ 397,000	£ -
SUB-TOTAL OF PROPERTY COSTS	£ 100,000	£ 639,000	£ 632,000	£ 593,000	£ 397,000	£ -
VAT @ 20%	£ 20,000	£ 127,800	£ 126,400	£ 118,600	£ 79,400	£ -
TOTAL PROPERTY COSTS	£ 120,000	£ 766,800	£ 758,400	£ 711,600	£ 476,400	£ -
TOTAL DEVELOPMENT COSTS	£ 9,367,499	£ 7,544,922	£ 7,272,696	£ 6,998,662	£ 6,979,742	£ 6,588,053
RANKING	6	5	4	2	3	1

5. OPTION 2 | RELOCATE & REFURBISH

Introduction

Following the completion of the initial feasibility report for relocation of the combined SDA/ARC facility, it was accepted that the required Capital spend was more than available budgets. Whilst options have been considered for the relocation of the ARC to a new site, a further consideration was the potential to identify an existing facility that may be purchased and refurbished to create an ARC facility.

A detailed market search was undertaken using a similar brief to the new site search. However, it was accepted by SFRS that the geographical limitation placed on the new-build option could be restrictive due to the limited options for suitable existing buildings. It was therefore accepted that the geographical area to be considered would be extended to North Lanarkshire, South Lanarkshire and North Glasgow.

Development of Long List

A building search was undertaken by Cushman & Wakefield on behalf of SFRS. This search comprised:

- Distribution of a call for sites and requirements list to all local Agents acting for landowners who may be able to accommodate the requirements.
- Dialogue with Scottish Enterprise and North Lanarkshire Council to identify any specific site availability that may not be known to local Agents.

The outcome of this initial site search was the identification of 16 alternative site options, many of which were unsuitable for the requirement. The attributes of each site and an assessment as to how well each option met the agreed evaluation was undertaken at a workshop meeting held with SFRS, Cushman & Wakefield and Keppie Design in May 2017. Details on the long list sites including the reasons for discounting are contained in Table 12.

Table 12: Long List of Options

Option	Location	Area	Price	Commentary	Status
1	8 Grayhill Road, Cumbernauld	62,862sqft	£1.300M	Fully fitted out as an office. Price on an 'as-seen' basis. Considered a potential option due to scale and eaves height of 7.00m	Shortlisted
2	3 Dunns Wood Road Cumbernauld	30,061sqft	£0.950M	Considered a potential option albeit size is smaller than requirement.	Shortlisted
3	240 Whifflet Street Cumbernauld	34,741sqft	£1.200M	Potential option however, building was under offer and as such not considered further.	Rejected
4	2 Colveilles Road Kelvin Industrial Estate East Kilbride	49,260sqft	£0.850M	Potential option however, building was under offer and as such not considered further.	Rejected
5	3 Cardowan Park Tannochside Park	32,867sqft	£1.500M	Potential option however, building was under offer and as such not considered further.	Rejected
6	600 Edgefauld Road Atlas Industrial Estate Springburn	37,477sqft	£0.250M	Held on ground lease with 50 years remaining. Considered further as a potential option.	Shortlisted

Option	Location	Area	Price	Commentary	Status
7	47 Houston Street Kingston Bridge Trading Estate	48,523sqft	£3.000M	Discounted due to price	Rejected
8	2 James Street Righead Industrial Estate	52,291sqft	£3.500M	Discounted due to price	Rejected
9	6 Grayhill Road Cumbernauld	55,162sqft	£2.482M	Considered further due to site size albeit price is higher than preferable	Shortlisted
10	9 Stroud Road East Kilbride	35,453sqft (41,324sqft including separate vehicle workshop)	£1.000M +	Originally considered but then removed from consideration as only available for lease.	Rejected
11	5 Ashley Drive Bothwell	47,322sqft	£1.200M	Added to shortlist as appropriate location and size/price	Shortlisted
12	7 Hornock Road Coatbridge	35,381sqft	£1.750M	Rejected as already under offer.	Rejected
13	47 Fairfield Place East Kilbride	21,563 – 78,451sqft	Not Known	Identified by SFRS directly. Property had been sold.	Rejected

Critical Success Factors

To assess the site options, several critical success factors were identified in consultation with SFRS. These were:

- Property Ownership/Acquisition Issues – consideration of the ownership and likely pricing of the property and any anticipated acquisition complexities. Strong preference for public owned sites without requirement for land assembly or prolonged negotiations.
- Suitability of Building and Yard Requirements – the property must have the capacity to accommodate the requirements of the site neutral model albeit not necessarily in the same form as set out within Section 3 of this report without excessive modification and abnormal cost. The eaves height of the existing property is also a significant factor – the high bay requirements are more than standard on most properties.
- Property Complexity/Construction Abnormals – a consideration of best value including an assessment of the site cost and a high-level assessment of any site specific abnormal costs;

Due to the limited number of options, the assessment has been undertaken broadly on the technical building requirements. The visibility, prominence and accessibility of each property cannot be a major deciding factor due to the limited number of options.

Short List

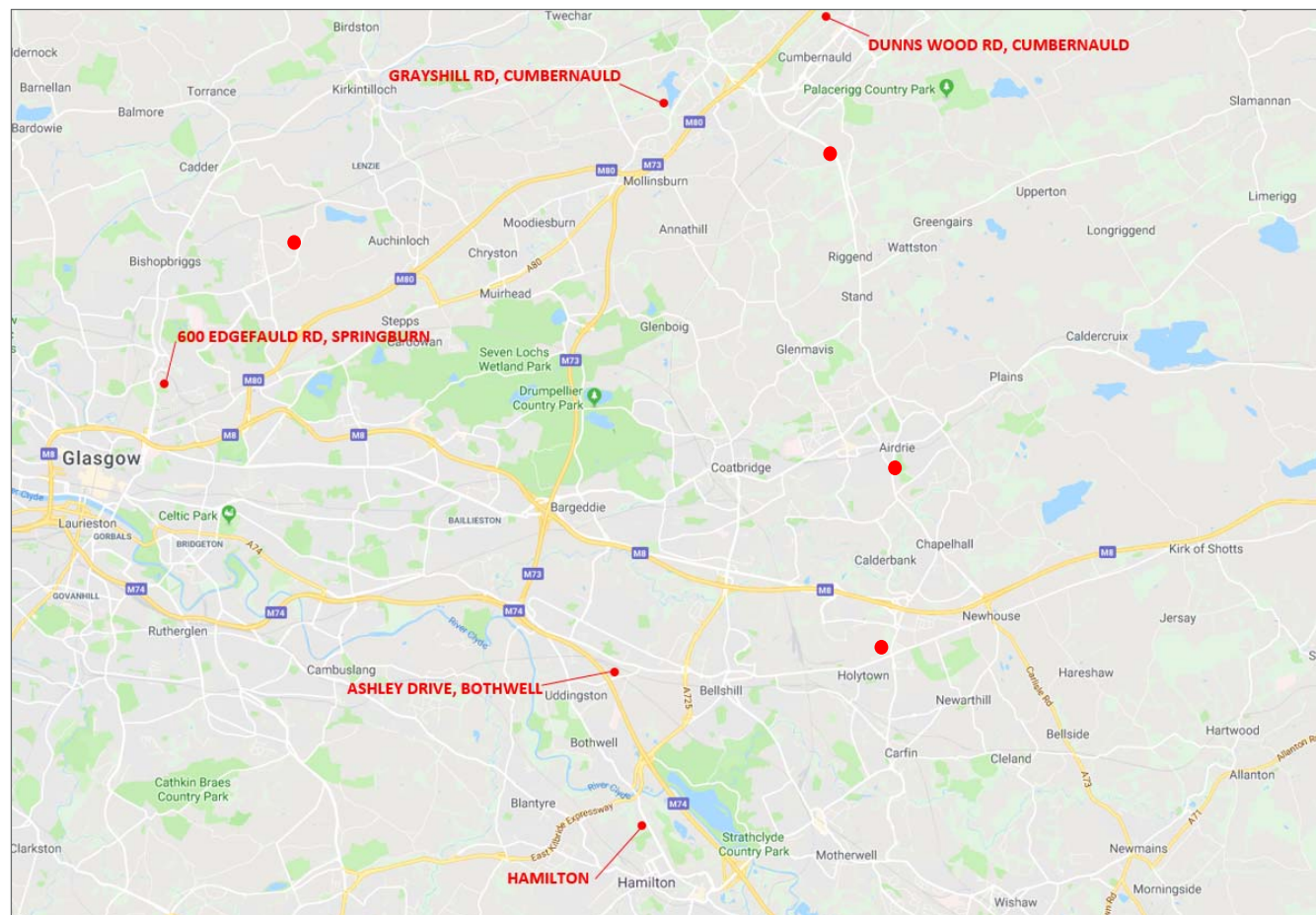
Having undertaken an initial assessment of this long list of sites, the short-listed options considered for further appraisal are shown below in Table 3.

Table 13: Short List of Options

Option No.	Description
1	8 Grayshill Road, Cumbernauld
2	3 Dunns Wood Road, Cumbernauld
6	600 Edgefauld Road, Atlas Industrial Estate, Springburn
9	6 Grayshill Road, Cumbernauld
11	5 Ashley Drive, Bothwell

The location of the existing and short-listed sites is shown in Figure ____.

Figure 17: Location of Sites in Options Short List



Each of the short-listed options has been visited, photographed and preliminary information on title, ownership, availability, current planning position, serviceability and access has been collated.

The ability of each site to accommodate the new facility of the West ARC has also been tested through layout modelling by Keppie Design where appropriate. The full details of the design assessment are contained in their Site Appraisal Report (October 2017) within Appendix 1 and summarised in the comparative assessment of each site.

EXISTING BUILDING OPTION 1: 8 GRAYSHILL ROAD, CUMBERNAULD

The following are the key site parameters:

Site Size	1.60 hectares (3.97 acres)
Existing Building Size	62,862sqft
Price	£1.300M

The property is adjacent to Existing Building Option 9.

Grayshill Road is in Westfield Industrial Estate, to the south of Cumbernauld Town Centre adjacent to the M73 and M80 providing links to Stirling to the north and Glasgow to the south with the M8 providing a link to Scotland's central belt. Nearby occupiers include AG Barr, Davies Turner, Mizuno and Wood Group.

The property comprises a standalone industrial facility. The principal pedestrian access is at the front elevation via a glazed entrance and a single roller shutter allows vehicular access. The property has been fitted out as offices over ground and mezzanine levels together with ancillary facilities.

The property has the following characteristics:

- Two large car parks/yard areas with potential for access from either side of the property;
- The landscaping zone adjacent to the car park will require to be removed and an element of retention required to create the car park;
- Heavily fitted out as office space for IBM however dilapidations settlement is ongoing;
- Single roller shutter door access provided;
- Height to the underside of the haunch of 6.00m.

Figure 18: 8 Grayshill Road, Cumbernauld



Indicative Site Modelling

The Keppie Design indicative site modelling below shows a red line boundary land take of 1.35 hectares (3.34 acres). The layout allows for a provision of 45 car parking spaces.

Figure 19: Indicative Site Modelling of 8 Grayhill Road, Cumbernauld



Alignment with SFRS Requirements

The proposed layout of the new facilities can be accommodated within the existing 8 Grayhill Road property. Due to the constraints of the site, the biggest limitation is on the number of service lanes with only 6 lanes being provided.

Redevelopment Potential/ Risks

All the existing building options will require significant modification and consequently, the associated refurbishment risks are significant. At this stage, there is no detailed understanding of the condition of the existing fabric and therefore the understanding of the precise scope of refurbishment/repairs is not known.

A detailed assessment is required of the existing premises to understand precisely what can be achieved within the existing envelope.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 14: 8 Grayhill Road – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£3,135,677.00
Total Stage 1 Costs	£75,112.00
Total Stage 2 Costs	£129,348.00
Other Costs/Fees	£10,166.00
SUB-TOTAL OF DEVELOPMENT COSTS	£3,350,303.00
VAT	£670,061.00
TOTAL DEVELOPMENT COSTS	£4,020,363.00

The cost model for 8 Grayhill Road provides financial savings over the new build options however, no cognisance has been taken of life cycle requirements over the life of the building, nor any fabric/building repairs beyond those required to form the new facilities. These require further investigation prior to any investment decision.

The overall financial model including purchase costs is considered further at the end of this section of the Report.

EXISTING BUILDING OPTION 2: 3 DUNNS WOOD ROAD, CUMBERNAULD

The following are the key site parameters:

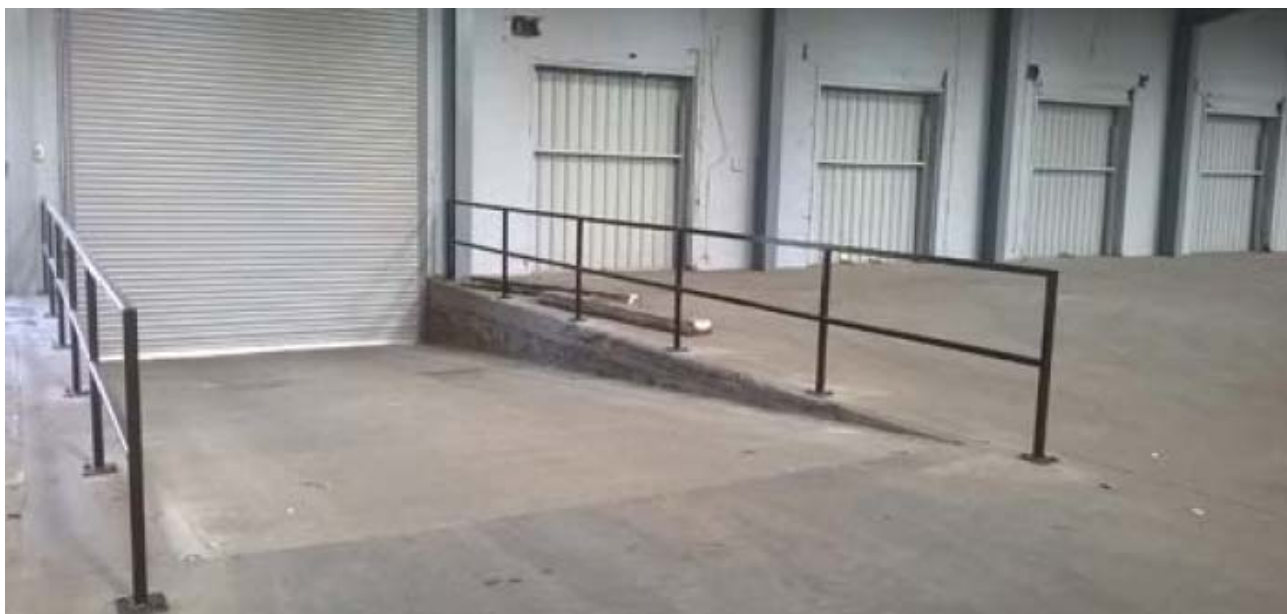
Site Size	Not Known
Existing Building Size	30,061sqft
Price	£0.950M

The property is situated on Dunns Wood Road which lies within Wardpark South Industrial Estate in Cumbernauld. The estate is positioned to the south side of the M80 motorway. The property benefits from convenient access to the national motorway network via Junction 6 of the M80 motorway which is within a circa 2 minutes' drive. Nearby industrial occupiers include Cummins UK, Glass Systems and Markon.

The property comprises a detached industrial unit of steel portal frame construction and has the following characteristics:

- Good yard space is provided at the front of the building but limited access to sides and rear;
- Two roller shutter doors are provided;
- Clear height to the steel haunch of 4.2m rising to 5.2m at wall head

Figure 20: 3 Dunns Wood Road, Cumbernauld



Indicative Site Modelling

On visiting the premises, it was clear that modification to meet the requirements of SFRS would not be possible. The facility has been designed and utilised as a distribution warehouse with a ground floor slab 900mm above the external ground level.

To meet SFRS' brief, the existing slab would require to be removed and lowered, or the external ground level raised to align with the existing slab level. This would be completely impractical and cost prohibitive, as such the property has not been considered further.

EXISTING BUILDING OPTION 6: 600 EDGEFAULD ROAD, ATLAS INDUSTRIAL ESTATE, SPRINGBURN

The following are the key site parameters:

Site Size	0.90 hectares (2.21 acres)
Existing Building Size	37,477sqft
Price	£0.250M

The property is held on a ground lease with 54 years remaining until expiry.

The property is situated on the west side of Edgefauld Road, within the Atlas Industrial Estate in Springburn to the North of Glasgow City Centre. Edgefauld Road connects with the M8 motorway with Junction 15 being approximately 1 miles south of the property and accessed via Springburn Road. The property is immediately adjacent to Barnhill Railway Station which connects with Glasgow Queen Street Station on the North Clyde Line.

The property forms a detached industrial building of steel frame construction with brick infill cavity walls beneath a steel framed roof, overlaid in cement sheet panels.

The warehouse layout provides for two main warehouse bays which are interconnected. Offices, toilets and staff areas are formed in an L-shape around the perimeter of the warehouse. Plentiful car parking is provided to the east and south of the property with yard / loading area being the north. There are two ground level roller shutter doors, each situated under a small canopy space.

The property has the following characteristics:

- Full perimeter vehicular access is available although single storey offices to the front would require to be demolished;
- The roof structure is not a portal frame and has a very low underside of steel truss height of 3.6m at 4.5m centres.

Figure 21: 600 Edgefauld Road, Atlas Industrial Estate, Springburn



Indicative Site Modelling

On visiting the premises, it was clear that modification to meet the requirements of SFRS would not be possible. The facility has a structural frame that does not provide clear heights under a portal frame, rather the steel frame only provides clear height of 3.6m.

To meet SFRS' brief, the steel frame across most the accommodation would require to be replaced. This would be completely impractical and cost prohibitive, as such the property has not been considered further.

EXISTING BUILDING OPTION 9: 6 GRAYSHILL ROAD, CUMBERNAULD

The following are the key site parameters:

Site Size	1.81 hectares (4.47 acres)
Existing Building Size	55,162sqft
Price	£2.482M

The property is adjacent to Existing Building Option 1.

Grayshill Road is in Westfield Industrial Estate, to the south of Cumbernauld Town Centre adjacent to the M73 and M80 providing links to Stirling to the north and Glasgow to the south with the M8 providing a link to Scotland's central belt. Nearby occupiers include AG Barr, Davies Turner, Mizuno and Wood Group.

The property comprises a standalone industrial facility. The principal pedestrian access is at the front elevation via a glazed entrance and a single roller shutter allows vehicular access. The property has been fitted out as offices over ground and mezzanine levels together with ancillary facilities.

The property has the following characteristics:

- Two large car parks/yard areas with potential for access from either side of the property;
- An additional car park is located on the opposite side of the road providing 15 car parking spaces;
- Currently occupied as industrial accommodation albeit in process of being vacated;
- Double roller shutter door access provided;
- Height to the underside of the haunch of 7.30m.

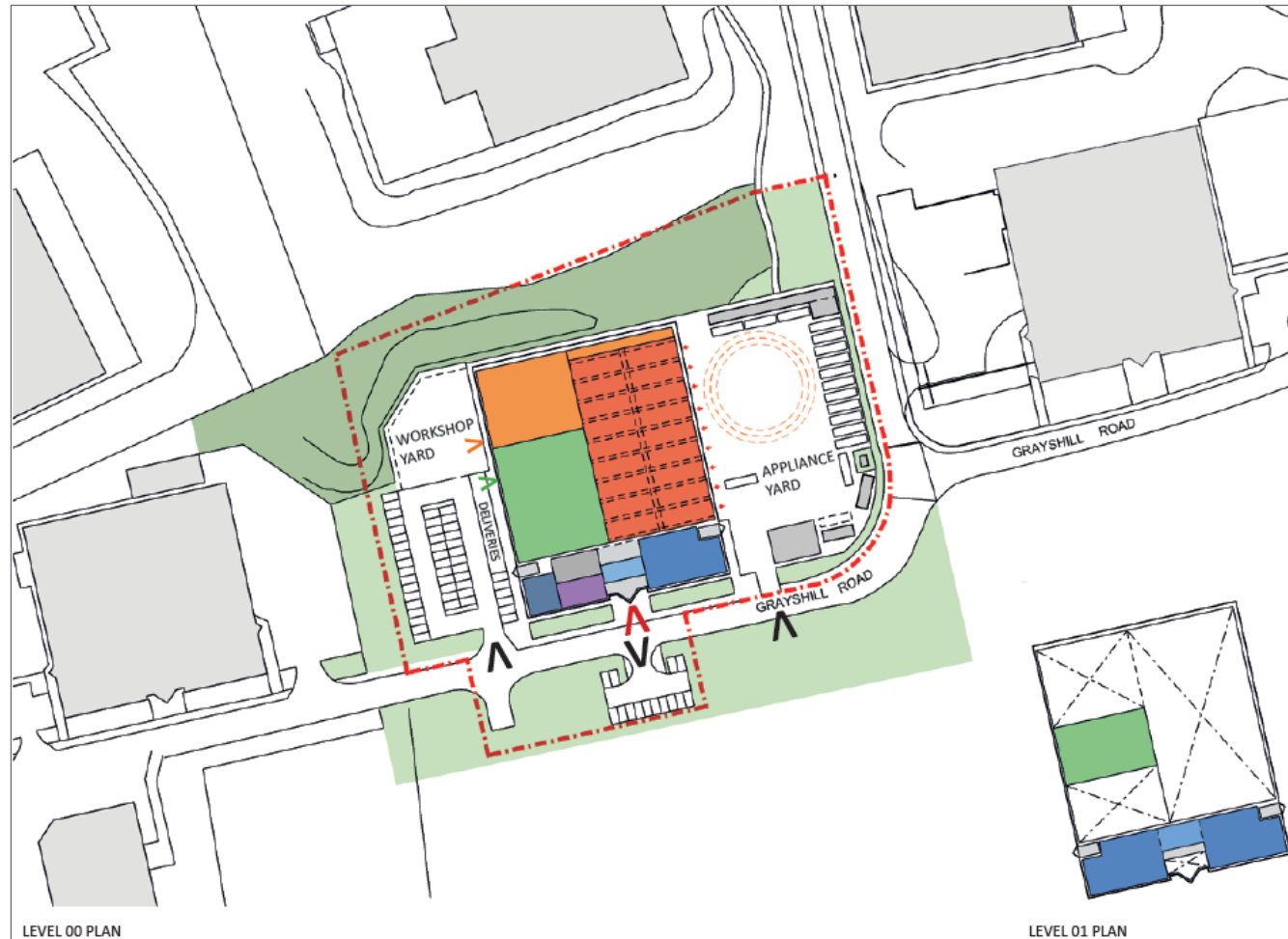
Figure 22: 6 Grayshill Road, Cumbernauld



Indicative Site Modelling

The Keppie Design indicative site modelling below shows a red line boundary land take of 1.81 hectares (4.47 acres). The layout allows for a provision of 60 car parking spaces.

Figure 23: Indicative Site Modelling of 6 Grayhill Road, Cumbernauld



Alignment with SFRS Requirements

The proposed layout of the new facilities can be accommodated within the existing 6 Grayhill Road more effectively than the neighbouring property. The site is larger than the neighbouring property and as such better accommodates the required facilities.

Redevelopment Potential/ Risks

All the existing building options will require significant modification and consequently, the associated refurbishment risks are significant. At this stage, there is no detailed understanding of the condition of the existing fabric and consequently the understanding of the precise scope of refurbishment/repairs is not known.

A detailed assessment is required of the existing premises to understand precisely what can be achieved within the existing envelope.

Development Costs

A review has been undertaken of potential Development Costs as summarised below:

Table 15: 6 Grayhill Road, Cumbernauld – Potential Development Costs

Element	Cost (£)
Total Indicative Construction Costs	£3,851,386.00
Total Stage 1 Costs	£81,895.00
Total Stage 2 Costs	£148,599.00
Other Costs/Fees	£12,486.00
SUB-TOTAL OF DEVELOPMENT COSTS	£4,094,438.00
VAT	£818,888.00
TOTAL DEVELOPMENT COSTS	£4,913,325.00

The cost model for 6 Grayhill Road provides financial savings over the new build options however, no cognisance has been taken of life cycle requirements over the life of the building, nor any fabric/building repairs beyond those required to form the new facilities. These require further investigation prior to any investment decision.

The budget costs are more than the other potential refurbishment option at 8 Grayhill Road, primarily as a consequence of the site being larger and requiring additional external works. However, the site does better meet the needs of SFRS by delivering a larger yard area and more bays.

The overall financial model including purchase costs is considered further at the end of this section of the Report.

EXISTING BUILDING OPTION 11: 5 ASHLEY DRIVE, BOTHWELL

The following are the key site parameters:

Site Size	1.09 hectares (2.69 acres)
Existing Building Size	47,322sqft
Price	£1.200m

The property is in Bothwell, close to the existing Bothwell Road, Hamilton location. The property therefore benefits from the same excellent transport links into Glasgow and onto the M8/M74 motorway network.

The property comprises three interconnecting industrial/manufacturing units over ground and first floor levels. The building is constructed using a steel portal frame construction with pitched roofs clad in metal sheeting.

The property has the following characteristics:

- Large amount of yard space but currently restricted access to warehouse through 2 dock levellers;
- Awkward building configuration. Part demolition required to enhance access to warehouse;
- Good height provided at 7.5m to underside of eaves.

Figure 24: 5 Ashley Drive, Bothwell



Indicative Site Modelling

On visiting the premises, it was clear that modification to meet the requirements of SFRS would be extremely challenging. The building layout does not offer sufficient yard space and significant modification would be required to create turning space and access into repair bays. In addition, structural works would be needed to address the levels difference at the entrance doors.

This would be completely impractical and cost prohibitive, as such the property has not been considered further at this stage.



Qualitative (Non-Financial) Assessment

There are limited properties available to purchase that meet SFRS' requirements for the ARC facilities. Of the long list of properties identified, only five were worthy of further consideration and of those, only two have been worthy of undertaking a scheme layout. Whilst other properties may arrive on the market in due course, those identified are considered a reasonable indication of the type of property likely to be available in the short to medium terms.

The particular challenges raised by SFRS' requirements are the combination building height, yard space and level vehicular access into the building. Whilst several distribution warehouses are available, most these do not deliver level access.

There were only two credible options identified and these have been assessed in the previous pages. A Full qualitative assessment has not been undertaken as the buildings are adjacent and as such many of the factors are equalised. From an operational perspective, 6 Grayshill Road delivers a significantly better technical layout and operationally, must be considered the preferred location.

Quantitative (Financial) Assessment

It was agreed with SFRS that the Financial Assessment of the properties will be undertaken based on Day One costs with no consideration of recurring annual revenue costs. A high-level cost model has been developed by Cushman & Wakefield which uses the base construction costs identified for each of the sites, along with an associated assessment of property costs.

A summary of the cost model for each of the short-listed options is included in Appendix 4.

The base assumptions are:

- The budget construction costs are based on build rates for similar facilities based on the feasibility design and should be treated as an indicative budget for comparison purposes at this stage
- The budget makes no specific allowance for site abnormalities that may be experienced for dealing with contaminated ground or mine workings. The cost model also assumes that public utilities infrastructure is in place
- No allowance made for Agency or Legal fees or associated SDLT costs
- Allowances have been made for repairs to the existing fabric, but only insofar as they are required to accommodate the new facilities. No allowance has been made for a full repairs programme to the existing buildings.
- No allowance has been made for works associated with decommissioning of the Hamilton site prior to any site disposal. It is understood that there may be costs associated with separating utility connections to ensure both the fire station and the remainder of the site are served by dedicated utility supplies.
- VAT has been applied to all costs

Table 16 summarises the day one costs of the five short-listed options.

Table 16: Summary of Financial Assessment

SITE OPTIONS FEASIBILITY COSTS	EXISTING BUILDING OPTION 1 8 Grayshill Road Cumbernauld	EXISTING BDG OPTION 9 6 Grayshill Road Cumbernauld
CONSTRUCTION COSTS	TOTALS	TOTALS
Total Indicative Construction Costs	£ 3,135,677	£ 3,851,368
Total Stage 1 Costs	£ 75,112	£ 81,985
Total Stage 2 Costs	£ 129,348	£ 148,599
Other Costs/Fees	£ 10,166	£ 12,486
SUB-TOTAL OF CONSTRUCTION COSTS	£ 3,350,303	£ 4,094,438
VAT @ 20%	£ 670,061	£ 818,888
TOTAL CONSTRUCTION COSTS	£ 4,020,363	£ 4,913,325
PROPERTY COSTS		
Site Acquisition Costs (Excl. Agents/Legal Fees)	£ 1,300,000	£ 2,482,000
Estimated Capital Receipt (Excl. Agents/Legal Fees)		
Temporary Accommodation/Migration Costs		
SUB-TOTAL OF PROPERTY COSTS	£ 1,300,000	£ 2,482,000
VAT @ 20%	£ 260,000	£ 496,400
TOTAL PROPERTY COSTS	£ 1,560,000	£ 2,978,400
TOTAL DEVELOPMENT COSTS	£ 5,580,363	£ 7,891,725
RANKING	1	2

6. CONCLUSIONS

This Feasibility Study assesses the strategic options available to Scottish Fire and Rescue Service (SFRS) to relocate the Asset Resource Centre into new accommodation. A long list of prospective alternative site options for a new build, and existing buildings, has been compiled. The long list was further screened and refined to produce a short list of prospective site and building options for further assessment and comparison with the stay-put and redevelop option under consideration for the Hamilton site.

There is no single conclusion arrived at within the report however, the following should be noted:

New Build Site Options

The option to build the ARC on the existing Hamilton site presents many challenges. Whilst the new facilities can be accommodated on the site, there is a significant interface with the existing buildings requiring these to be remodelled. The further challenge is accommodating the construction of the new facilities on the operational Hamilton site. The costs of developing on the existing Hamilton site are significant and as such it is not recommended that this option be pursued further.

The preferred option on a purely financial basis will be the SHRS HQ site at Cambuslang. With the site already under the ownership of SFRS, this removes a purchase risk and reduces the overall development value of the new facilities. The construction risks of the site are not at this stage fully known but it is understood that various site investigation reports are available to support the de-risking of the development moving forward.

Should the Cambuslang site not be preferred from an operational perspective, the various sites at Gartcosh present a positive alternative with each having their own advantages. Should Gartcosh be the preferred option, it is recommended that an early meeting be convened with Scottish Enterprise to explore the requirement further and identify the best solution for SFRS.

Existing Building Options

The existing building options available are limited by market availability. Those options available during preparation of this report are included however, it is possible that other options may present themselves in due course.

None of the existing building options will present a perfect solution for SFRS. Whilst the potential purchase and redevelopment of 8 Grayhill Road in Cumbernauld appears to offer the best overall financial position for SFRS, this takes no cognisance of the enhanced construction risks because of the refurbishment of the existing buildings.

The further challenge with the existing building options is the future life cycle costs. Whilst a 'day-one' capital expenditure saving is identified, it is inconceivable that the additional operating revenue for repairs, maintenance and running costs for the existing buildings will not exceed this saving within the initial 3-5 years.

Next Steps

A detailed further review is required with SFRS to understand the preferred route to follow for the future stages of the project. The intention would be for this meeting to take place during January 2018 with a view to agreeing the strategy for the next steps and a programme to completion being agreed.

APPENDICES

APPENDIX 1

KEPPIE DESIGN SITE APPRAISALS REPORT (OCTOBER 2017)

APPENDIX 2

ASSESSMENT OF LONG LIST OPTIONS

APPENDIX 3

QUALITATIVE (NON-FINANCIAL) OPTION ASSESSMENT

APPENDIX 4

COST MODEL FOR SHORT-LISTED OPTIONS

APPENDIX 5

C&W STANDARD TERMS AND CONDITIONS

APPENDIX B

APPENDICES

APPENDIX 1

KEPPIE DESIGN SITE APPRAISALS REPORT (OCTOBER 2017)

SITE APPRAISALS OCTOBER 2017



SCOTTISH FIRE +
RESCUE SERVICE

WEST ARC

DESIGN TEAM

Scottish Fire + Rescue Service
Cushman + Wakefield
Keppie Design

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- As Drawn Areas

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- 2 Gartcosh - Gartcosh Business Exchange Plot 1A West
- 3 Gartcosh - Gartcosh Business Exchange Plot 3
- 4 Bellshill - Righead Industrial Estate
- 5 Hamilton - Existing SDA, Bothwell Road
- 6 Cambuslang - National Headquarters, Westburn Drive

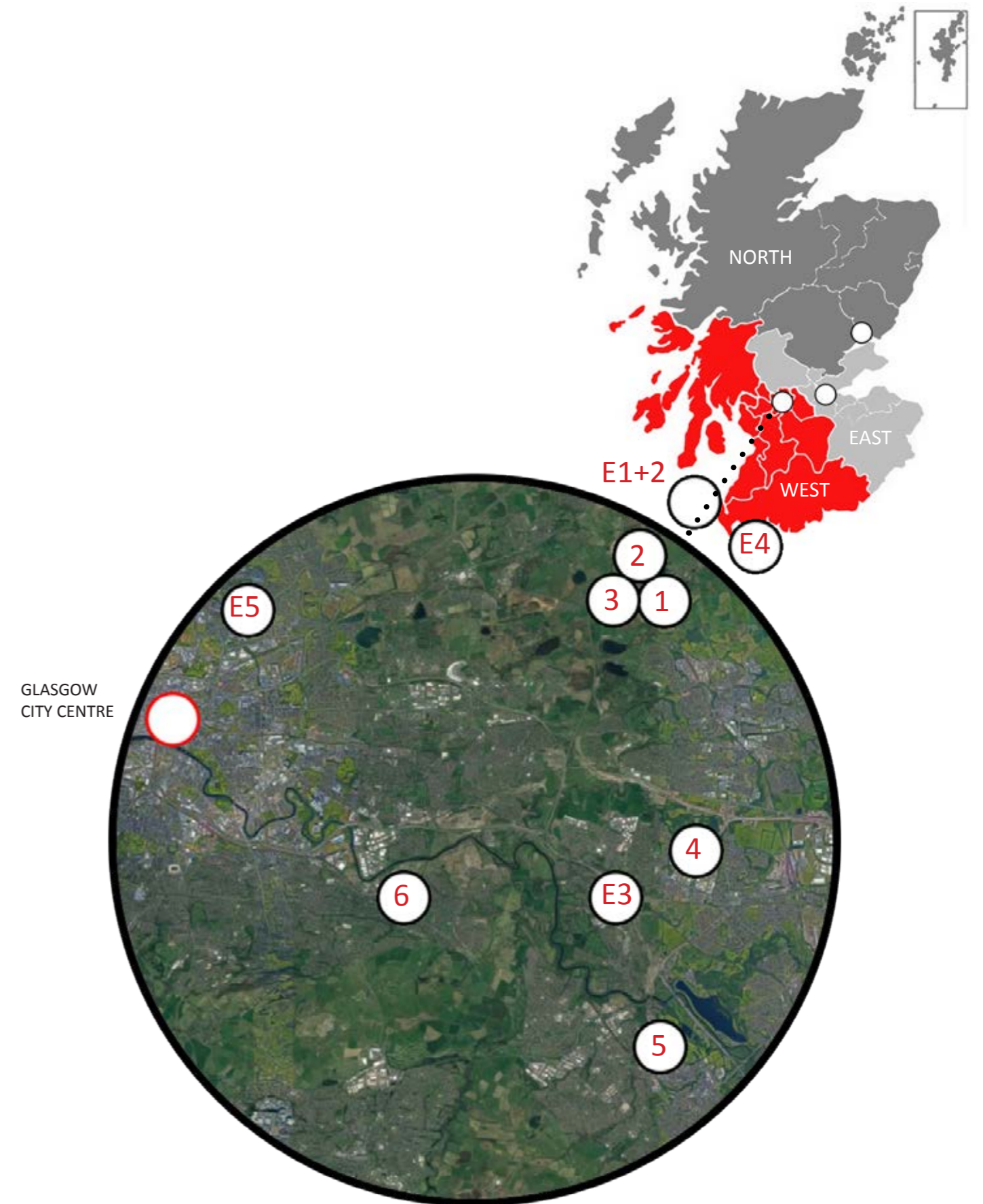
- E1 Cumbernauld - 6 Grayhill Road
- E2 Cumbernauld - 8 Grayhill Road
- E3 Bothwell - 5 Ashley Drive
- E4 Cumbernauld - 3 Dunns Wood Road
- E5 Barnhill - 600 Edgefauld Road

Executive Summary

The following document represents the initial architectural design intent strategy for the new Scottish Fire + Rescue Service West Asset Resource Centre.

As part of their wider service delivery strategy SFRS are considering site options in North Lanarkshire for the location of a new ARC West Headquarters, whilst exploring options for the full or part disposal of the existing West SDA site in Hamilton.

This document is a collation and explanation of the outline brief, design drivers and site appraisals investigated thus far following an initial consultation period with SFRS and Cushman Wakefield. The output diagrams are intended to form the basis of the next stage of design development of a scheme commensurate with SFRS aspirations.



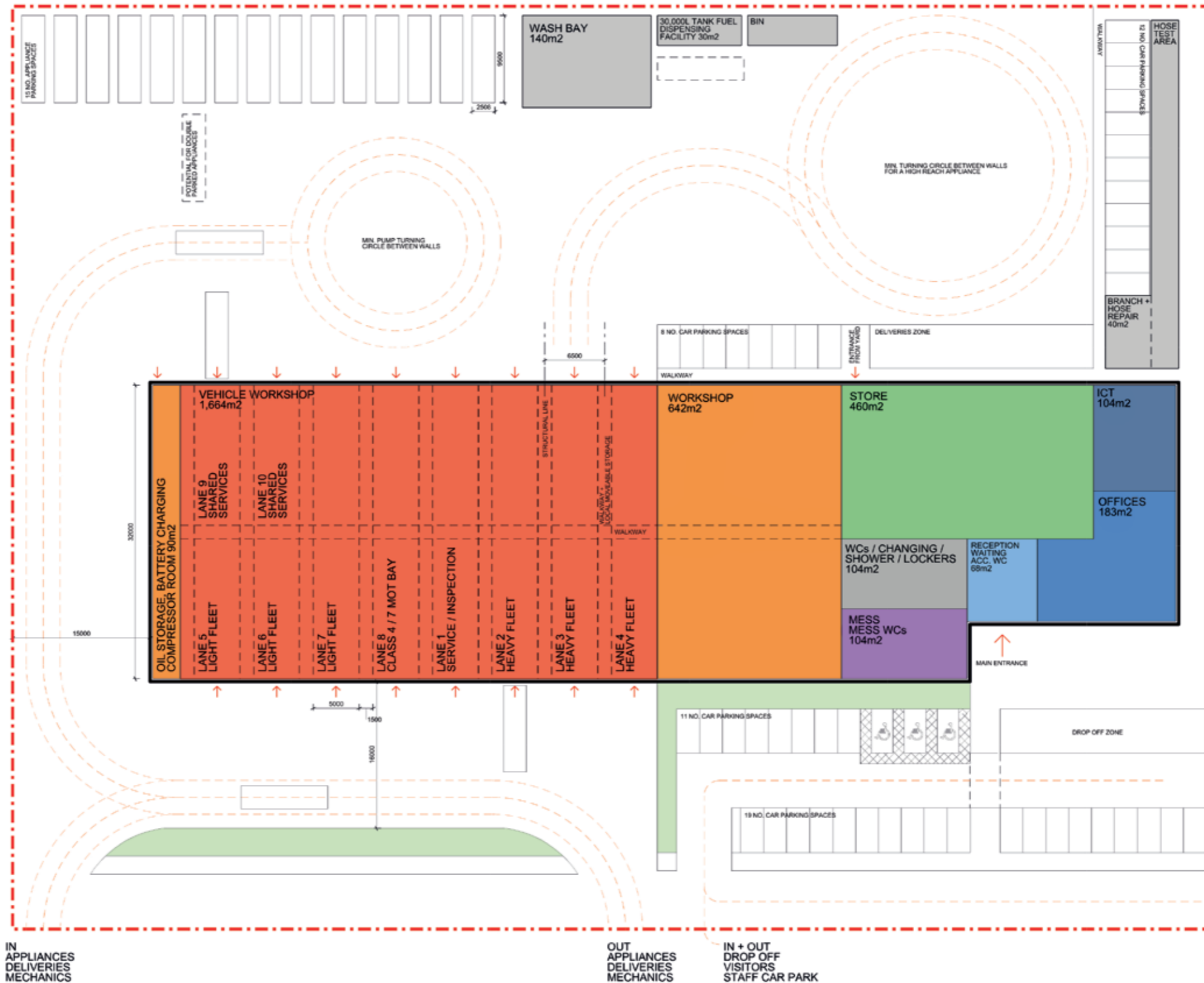
SITE NEUTRAL PROPOSAL

WEST ARC LEVEL 00

As drawn site red line boundary area:
3.26AC / 1.32HA / 13,198m²

As drawn building footprint: 3,515m²
As drawn GIA Level 00: 3,425m²

As drawn GIA Hose Repair + Test: 154m²
Net to Gross 85%

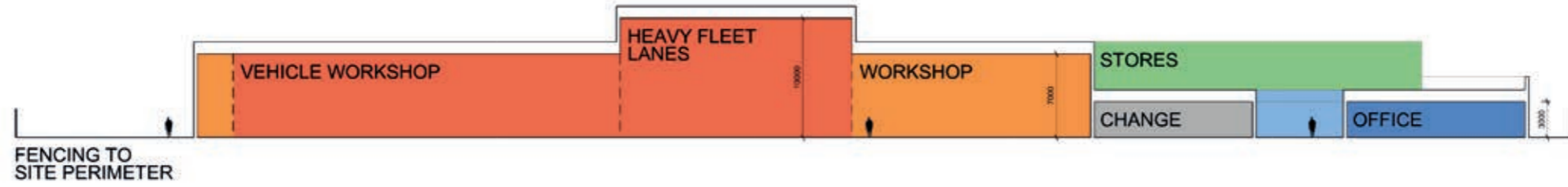


SITE NEUTRAL PROPOSAL

WEST ARC LEVEL 01

As drawn GIA Level 01: 308m²

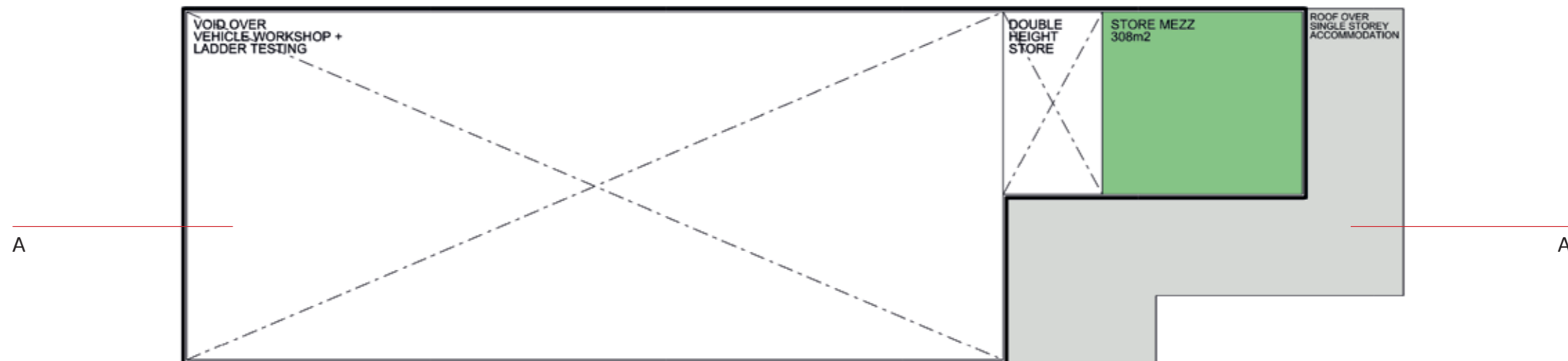
Net to Gross 85%



Section AA

Heavy Fleet Lanes: 10m clear to underside of ridge

All Other lanes + Workshop: 7m clear to underside of ridge



Level 01 Plan

CLIENT BRIEF COMPARISON REVISED BRIEF

WEST ARC

The revised as drawn areas are circa. 3,179m² NIA, as detailed below.

To create the revised site neutral diagram an additional circa. 15% has been added to briefed areas to allow for circulation, internal partitions, etc.

Asset Resource Centre (ARC)

GIA: circa 3,733m².

Includes allowance for circulation, internal partitions, etc.

NIA: circa 3,179m² over two levels.

Area breakdown as follows:

Reception + Waiting 68m² GIA / 58m² NIA as drawn

Draught Lobby

Reception + Waiting

Assisted WC

ICT 104m² GIA / 90m² NIA as drawn

ICT Server Room, Office + Workshop

Stores 768m² GIA / 653m² NIA as drawn

Central Stores + Reception

Ground Floor circa. 391m² NIA

Mezzanine circa. 262m² NIA

Offices 183m² GIA / 156m² NIA as drawn

Manager's Offices: 30m²

Property Office: 50m²

Hot Desk Area: 30m²

Meeting/Training Room: 30m²

First Aid Room: 10m²

Changing 104m² GIA / 90m² NIA as drawn

WCs, Changing, Showers + Lockers

Mess 104m² GIA / 90m² NIA as drawn

Mess: 80m² NIA

Mess WCs: 10m² NIA

Vehicle Workshop 1,664m² GIA / 1,414m² NIA as drawn

Vehicle Workshop

Workshop 738m² GIA / 628m² NIA as drawn - allowance for ladder length

Workshop Entrance + Reception: 20m²

Workshop Supervisor's Office: 40m²

Ladder Testing, Repair + Storage: 220m²

Equipment Repair Area: 75m²

Small Machine Workshop / Welding Area: 80m²

Battery Charging Area: 10m²

BA Room: 12m²

Wet Room: 12m²

Clean Room: 30m²

Compressor Room: 10m²

Secure Impound Cage: 9m²

Test Area (Brakes + Balancing): 10m²

External Area

Area breakdown as follows:

Steam Cleaning + Wash Bay: 140m²

35m Hose Testing Area + Branch Repair: 154m²

Fuel Dispensing Facility, above ground 30,000 tank: 30m²

Bunded Oil Storage Area, 8 no. 250 litre drums

Bulk New Oil Storage Area, 3no. 2,000 litre tanks

Waste Oil Storage, max. 3,000 litres

Parking for 15 no. Fire Appliances

40 Car Parking Spaces (20 Mechanics + 20 Office Staff / Visitors)

Turning Circle Space

Bins

Site Neutral As Drawn Areas

As drawn site red line boundary area:

3.26AC / 1.32HA / 13,198m²

As drawn building footprint: 3,515m²

As drawn GIA Level 00: 3,425m²

As drawn GIA Level 01: 308m²

As drawn GIA Hose Repair + Test: 154m² (single storey accommodation)

Note: Additional Requirement of 200sqm ICT identified following completion of this report. Not included in drawings but included in costs

CLIENT BRIEF COMPARISON ORIGINAL BRIEF

WEST ARC + SDA

The initial Client brief was circa. 5,692 - 5,892m² NIA, as detailed below.

To create the original site neutral diagram an additional 15% has been added to briefed areas to allow for circulation, internal partitions, etc.

Asset Resource Centre (ARC) 81 Staff, over one storey.

GIA: circa 4,386m².

Includes allowance for circulation, internal partitions, etc.

NIA: circa 3892m².

Briefed breakdown as follows:

ICT Server Room, Office + Workshop: 90m²

Central Stores + Reception, over two levels: circa. 1,000 – 1,200m²

Manager's Offices: 80m²

Property Office: 60m²

Hot Desk Area: 40m²

Meeting/Training Room: 60m²

WCs, Changing, Showers + Lockers: 90m²

Mess: 80m²

Mess WCs: 10m²

First Aid Room: 10m²

Workshop Entrance + Reception: 20m²

Vehicle Workshop: 1,664m²

Workshop Supervisor's Office: 40m²

Ladder Testing, Repair + Storage: 220m²

Equipment Repair Area: 75m²

Small Machine Workshop / Welding Area: 80m²

Battery Charging Area: 10m²

BA Room: 12m²

Wet Room: 12m²

Clean Room: 30m²

Compressor Room: 10m²

Secure Impound Cage: 9m²

Test Area (Brakes + Balancing): 10m²

Service Delivery Area (SDA) 150 Staff, over two storeys.

GIA: circa 2,312m².

Includes allowance for circulation, internal partitions, etc.

NIA: circa 2,000m².

Briefed breakdown as follows:

Draught Lobby

Reception + Waiting

Open Plan Office Space

Break Out Spaces

Meeting Rooms

WCs

Canteen - 80 Covers

Commercial Kitchen

External Area

Briefed breakdown as follows:

Steam Cleaning + Wash Bay: 140m²

35m Hose Testing Area + Branch Repair: 154m²

Fuel Dispensing Facility, above ground 30,000 tank: 30m²

Bunded Oil Storage Area, 8 no. 250 litre drums

Bulk New Oil Storage Area, 3no. 2,000 litre tanks

Waste Oil Storage, max. 3,000 litres

Parking for 15 no. Fire Appliances

160 Car Parking Spaces

Turning Circle Space

Site Neutral As Drawn Areas

As drawn site red line boundary area:

4.77AC / 1.93HA / 19,284m²

As drawn building footprint: 4,785m² inclusive of 160 car parking spaces

As drawn GIA Level 00: 4,672m²

As drawn GIA Level 01: 2,030m²

As drawn GIA Hose Repair + Test: 154m² (single storey accommodation)

Net to Gross calculated at 85%

01 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 1A EAST

SITE ANALYSIS



Plot 1A East looking South



Plot 1A East looking West

CONSIDERATIONS

- Total site area circa. 12.8 acres.
- Site accessed directly from M73 J2a. Easy access to M8, M74 and M80, with Glasgow city centre 21min drive.
- 11 min walk to Gartcosh Train Station and bus stop.
- Relatively level site with road infrastructure in place to South.
- Land forms part of former Gartcosh Steelworks. Proximity to Scottish Crime Campus.
- Access and egress via Auldyards Road then Craignethan Drive.



Site Aerial Image

01 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 1A EAST

SITE RESPONSE

As drawn site red line boundary area:
3.51AC / 1.42HA / 14,193m²

As drawn site blue line boundary area:
5.93AC / 2.40HA / 23,966m²

As drawn site red line boundary perimeter:
482.2m

As drawn footprint: 3,515m²
As drawn GIA Level 00: 3,425m²
GIA Level 01: 308m²
As drawn GIA Hose Repair + Test:
154m²

Net to Gross 85%

50 car parking spaces +
drop off zone.

Potential to have multiple site access/egress points, if desired, and additional site area is available for future yard extension. Both are subject to relevant permissions.

KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

scale 1:1250@ A3



02 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 1A WEST

SITE ANALYSIS



Plot 1A West looking South



Plot 1A West looking East

CONSIDERATIONS

- Total site area circa. 6.25 acres.
- Site accessed directly from M73 J2a. Easy access to M8, M74 and M80, with Glasgow city centre 21min drive.
- 11 min walk to Gartcosh Train Station and bus stop.
- Platformed site, currently remediated and serviced with road infrastructure in place.
- Approximately 60,000-80,000 sq ft of industrial accommodation proposed.
- Land forms part of former Gartcosh Steelworks. Proximity to Scottish Crime Campus.
- Access and egress via Auldyards Road / Craignethan Drive.



Site Aerial Image

02 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 1A WEST

SITE RESPONSE

As drawn site red line boundary area:
3.99AC / 1.61HA / 16,143m²

As drawn site blue line boundary area:
6.32AC / 2.56HA / 25,557m²

As drawn site red line boundary perimeter:
512.6m

As drawn footprint: 3,515m²
As drawn GIA Level 00: 3,425m²
GIA Level 01: 308m²
As drawn GIA Hose Repair + Test:
154m²

Net to Gross 85%

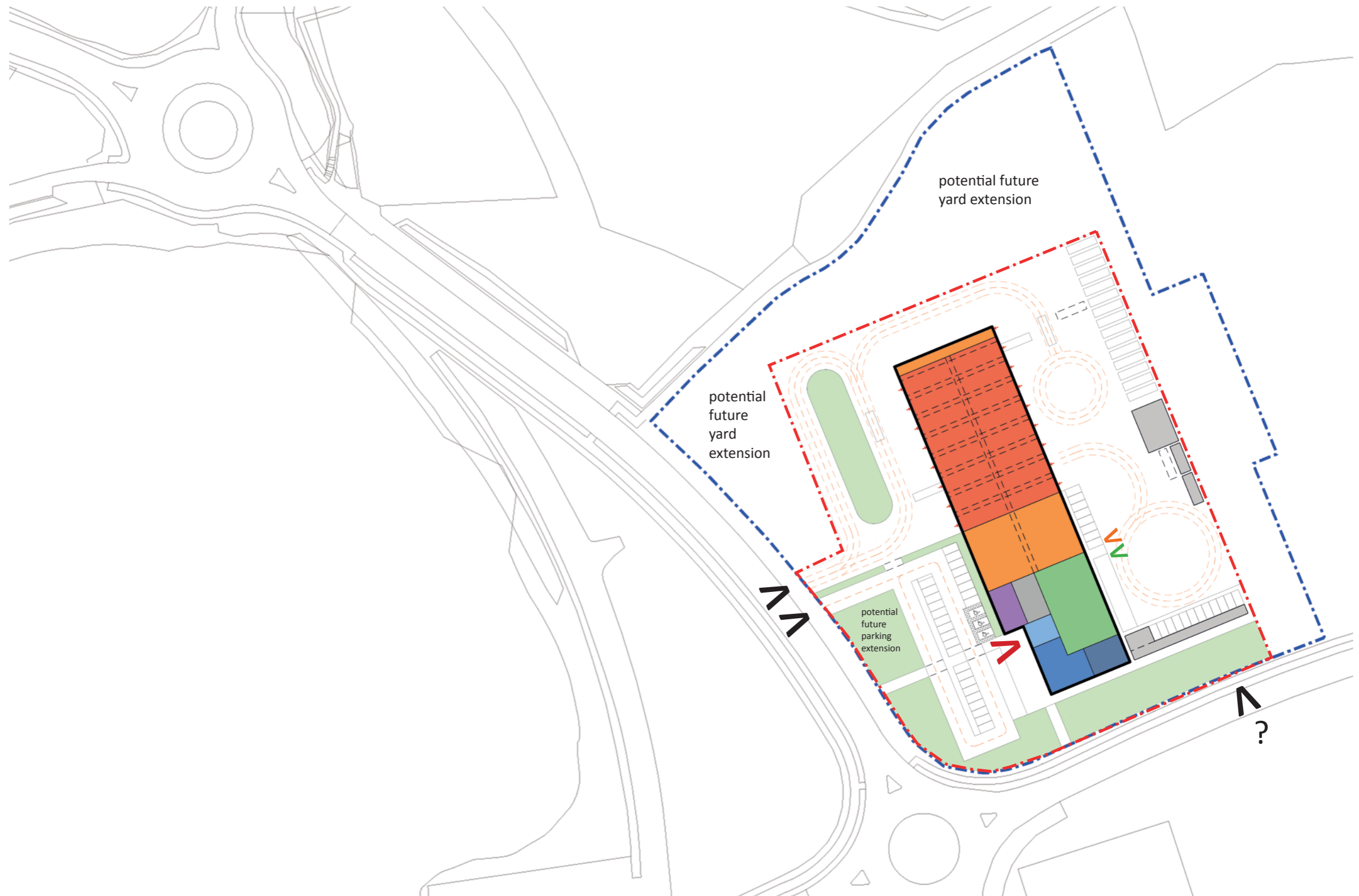
50 car parking spaces +
drop off zone.

Access locations to be negotiated. Potential to have multiple site access/egress points, if desired, and additional site area is available for future yard and parking extension. Both are subject to relevant permissions.

KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

scale 1:1250@ A3

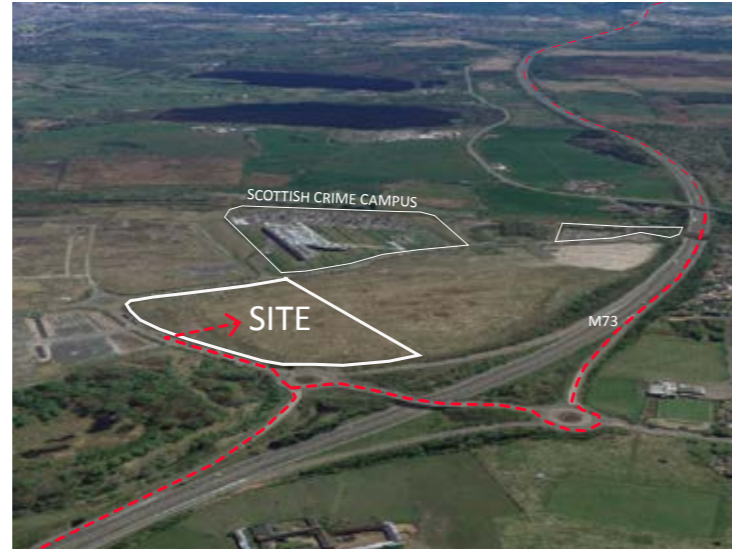


03 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 3

SITE ANALYSIS



Plot 3 looking North East



Plot 3 looking South

CONSIDERATIONS

- Total site area far in excess of requirements. Land to be negotiated to suit exact SFRS requirements.
- Site accessed directly from M73 J2a. Easy access to M8, M74 and M80, with Glasgow city centre 21min drive.
- 9 min walk to Gartcosh Train Station and bus stop.
- Relatively level site with road infrastructure in place to North East and South East.
- Land forms part of former Gartcosh Steelworks. Proximity to Scottish Crime Campus.
- Access and egress via Auldyards Road / Cragneithan Drive.
- Excellent public frontage along M73. Site is located in a prominent position at the entrance of the estate.
- Mains aspects towards Gartcosh Nature reserve and Scottish Crime Campus.



Site Aerial Image

03 GARTCOSH - GARTCOSH BUSINESS EXCHANGE PLOT 3

SITE RESPONSE

As drawn site red line boundary area:

3.97AC / 1.60HA / 16,049m²

As drawn site red line boundary perimeter:

504.6m

As drawn footprint: 3,515m²

As drawn GIA Level 00: 3,425m²

GIA Level 01: 308m²

As drawn GIA Hose Repair + Test: 154m²

Net to Gross 85%

50 car parking spaces + drop off zone.

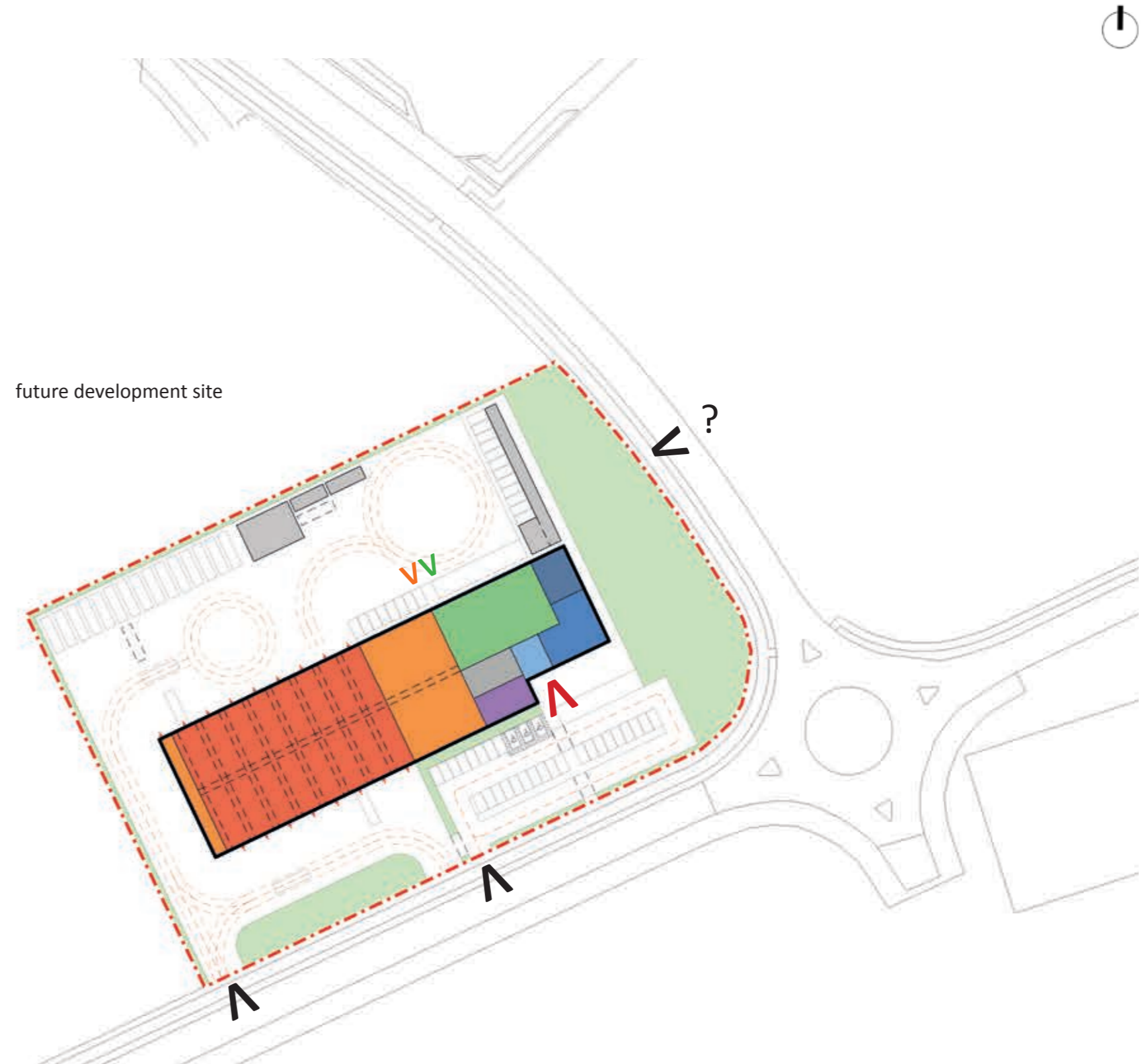
Access locations to site and future development site to be negotiated. Potential to have multiple site access/egress points, if desired.

Additional site area is available for future yard extension subject to site acquisition.

KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

scale 1:1250@ A3



04 BELLSHILL - RIGHEAD INDUSTRIAL ESTATE

SITE ANALYSIS



Righead Plot looking South



Righead Plot looking North West

CONSIDERATIONS

- Total site area circa. 6.96 acres, held under two titles.
- Established industrial estate accessed from M74 J5 and via A725 - 4min drive. Easy access to M73 and M8, with Glasgow city centre 26min drive.
- Access and egress via Katrine Avenue, then Melford Road. Internal road network is in need of investment.
- No public frontage. Site is located to rear of the estate and not particularly visible.
- Main aspect towards industrial units and yards.
- Generally level site, currently overgrown with grass and trees.
- Regularly shaped plot, however lacks street frontage.
- Site is understood to be serviced.
- Site is bound by industrial development to North, East and South, with residential development to West.
- 7 min walk to bus stop on Old Edinburgh Road and 25 min walk to Bellshill Train Station.



Site Aerial Image

04 BELLSHILL - RIGHEAD INDUSTRIAL ESTATE

SITE RESPONSE

As drawn site red line boundary area:

4.55AC / 1.84HA / 18,407m²

As drawn site blue line boundary area:

6.39AC / 2.59HA / 25,869m²

As drawn site red line boundary perimeter:

550.8m

As drawn footprint: 3,515m²

As drawn GIA Level 00: 3,425m²

GIA Level 01: 308m²

As drawn GIA Hose Repair + Test: 154m²

Net to Gross 85%

50 car parking spaces + drop off zone.

Potential to have multiple site access/egress points, if desired, subject to upgrade of private road to South East of site. Additional site area is available for future yard extension. Both are subject to relevant permissions.

KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

scale 1:1250@ A3



05 HAMILTON - EXISTING SDA, BOTHWELL ROAD

SITE ANALYSIS



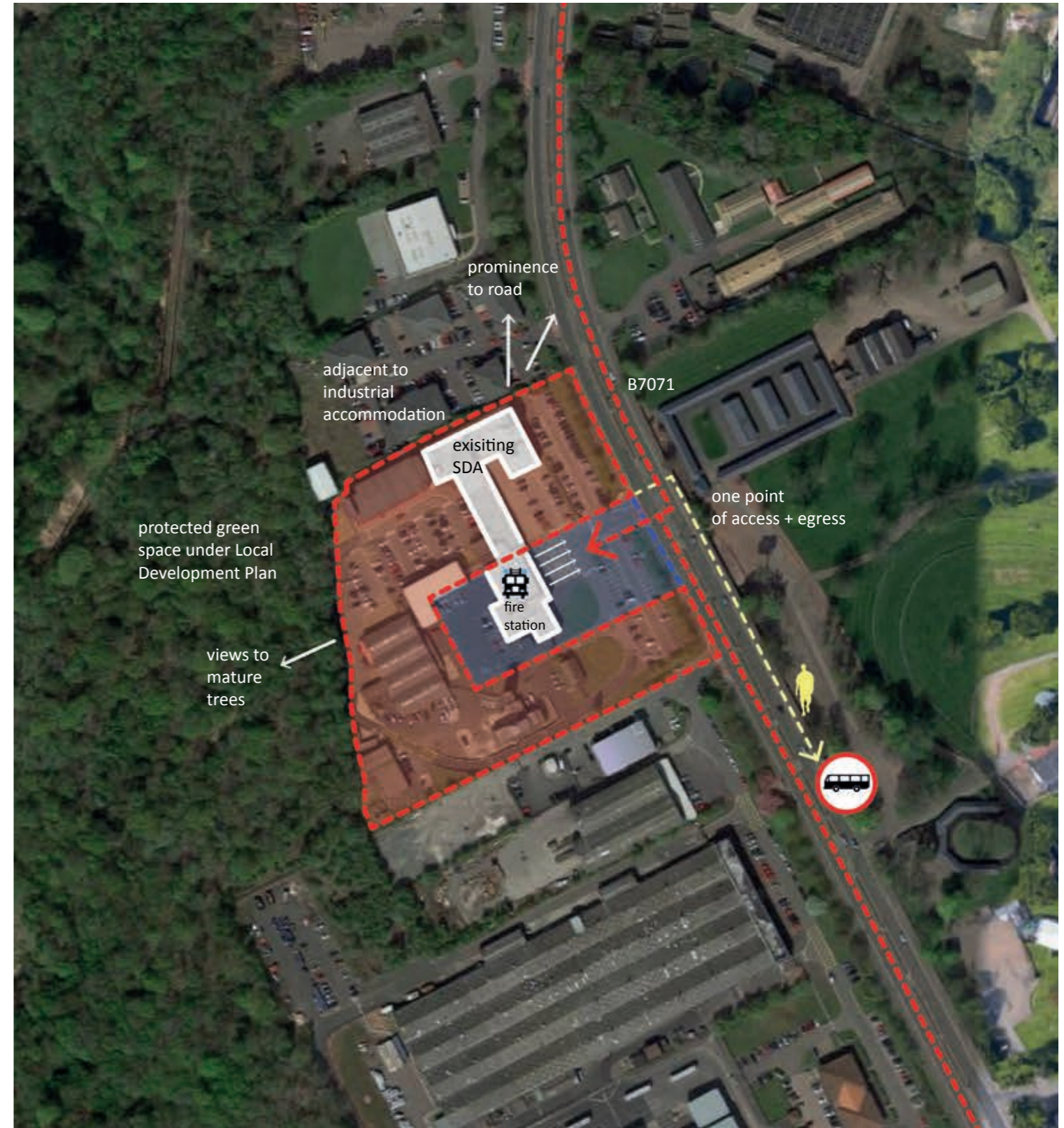
Hamilton site looking South East



Hamilton site looking North East

CONSIDERATIONS

- Total site area circa. 6 acres.
- Established SDA and fire station with associated training facilities and stores. Accessed from M74 J5 and via A725 - 3min drive. Easy access to M73 and M8, with Glasgow city centre 29min drive.
- Fire station and yard must remain fully operational and USAR building + training tower is to be accommodated within site. Site phasing, access points and construction strategy is complex due to site constraints, proportions + existing uses.
- One point of entrance / egress to site. Limited segregation of appliance, staff and blue light traffic.
- Lack of prominence to street. New development will be sited entirely to the rear of existing buildings.
- Site is bound by industrial development to North and South, with protected woodland to West.
- Development site is irregularly proportioned and sloping. Gradients should not exceed 1 in 12 for areas of hard standing. Retention likely required and adequate space for this to be accommodated.
- Inadequate space for yard, dual access to vehicle workshop and appliance turning without sharing fire station yard.
- Potential upgrade required to existing infrastructure to reflect increase in capacity.
- 3 min walk to bus stop on Bothwell Road and 26 min walk to Hamilton Wehst Train Station.



Site Aerial Image

05 HAMILTON - EXISTING SDA, BOTHWELL ROAD

SITE RESPONSE

As drawn site red line boundary area:
4.60AC / 1.86HA / 18,634m²

As drawn site blue line boundary area:
1.48AC / 0.60HA / 6,019m²

As drawn site red line boundary
perimeter:
848.5m

ARC - New Build

As drawn footprint: 3,515m²
As drawn GIA Level 00: 3,425m²
GIA Level 01: 308m²

As drawn GIA Hose Repair + Test: 154m²

Net to Gross 85%

USAR

As drawn GIA USAR Training Building:
400m² over two levels
As drawn footprint USAR Tower: 30m²,
storey height tbc.

SDA - Refurbishment + Re-clad subject to detailed discussion

Footprint circa: 1,132m²
Refer to demolition diagram.

circa. 220 total car parking spaces.
Provision of over 160 spaces
subject to relevant permissions.

Allowance for retention required.
Fire station and vehicle workshop
share the same yard.
One point of access + egress
(including blue light) to the site.





Development assumes phased staff decant and demolition of
buildings shown in **below in red**; retention of existing fire sta-
tion + appliance bay; refurbishment + re-clad of existing SDA,
as well as upgraded parking facilities.



Demolition diagram NTS



KEY

	Entrance		Store
	Offices		ARC Workshops + Offices
	ICT		Vehicle Workshop

06 CAMBUSLANG - NATIONAL HEADQUARTERS, WESTBURN DRIVE

SITE ANALYSIS



Cambuslang site looking East



Cambuslang site looking West

CONSIDERATIONS

- Total site area in excess of requirements, however the site is irregular in shape.
- Site accessed directly from A724 or A763. Easy access to M74 J2A to connect to M73 and M8. Glasgow city centre 16min drive.
- 20 min walk to Cambuslang Train Station.
- Land forms part of SFRS Headquarters and Training Campus and benefits from proximity to these facilities.
- Access and egress via Westburn Drive. Further extension to this road infrastructure and associated pedestrian access required.
- Relatively level site, however retention perhaps required to South East of site. Further investigation required.
- No buildings or up-filling are permitted within the indicated 1 in 200 year flood extent. Proximity to flood plain to be noted.
- No public frontage, although limited views to the site from across the River. Site is located in a slightly disconnected position at the rear of the campus, however this will perhaps be remedied on completion of Phase 2 of campus expansion.
- Mains aspects towards are towards mature landscape, the River Clyde and SFRS training facilities.



Site Aerial Image

06 CAMBUSLANG - NATIONAL HEADQUARTERS, WESTBURN DRIVE

SITE RESPONSE

As drawn site red line boundary area:

4.03AC / 1.63HA / 16,333m²

As drawn site red line boundary perimeter:

517.9m

As drawn footprint: 3,515m²

As drawn GIA Level 00: 3,425m²

GIA Level 01: 308m²

As drawn GIA Hose Repair + Test: 154m²

Net to Gross 85%

50 car parking spaces + drop off zone. Potential for an additional circa. 85 spaces to South of site.

Potential to have multiple site access/egress points, if desired.

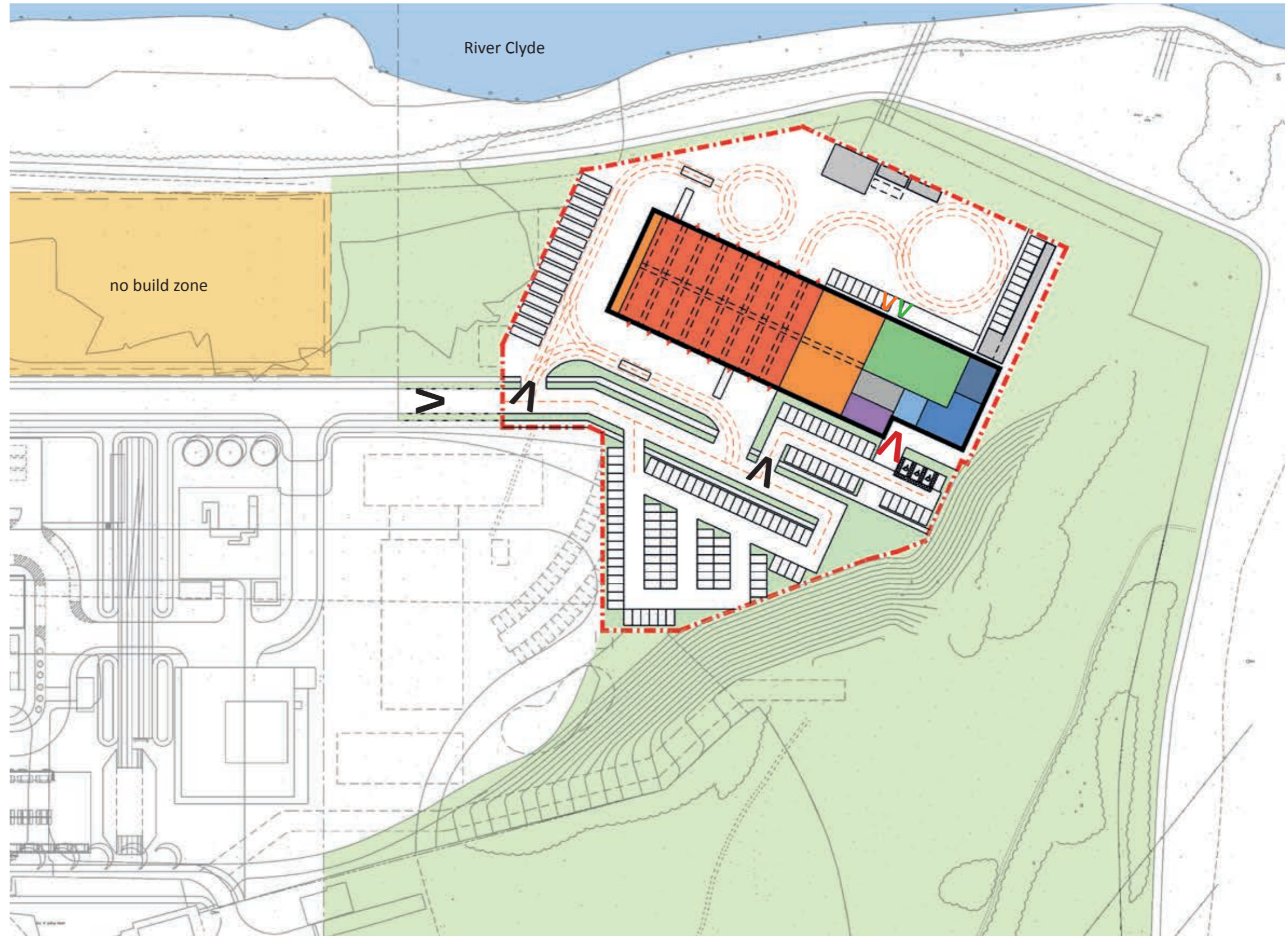
Potential for future yard extension West, if required, avoiding no build zone.

Retention may be required around South-East of site. Further investigation required.

KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

scale 1:1250@ A3



E1 CUMBERNAULD - 6 GRAYSHILL ROAD

SITE ANALYSIS



Site Aerial Image



Building As Existing

CONSIDERATIONS

6 Grayhill Road, Cumbernauld, G68 9HQ – 62,862sqft

- Good access from two car parks / yards either side
- Adjacent car park across the road is included which holds approx 15 cars
- Currently occupied yet vacating with dilaps to follow and landlord refurbishment, interest may enable influence over refurbishment.
- 2 x roller shutter doors on left of warehouse
- 6m structural grid , 7.3 to u/s of haunch.
- Current office space set up in a cellular fashion.
- Relatively flat external levels
- Warehouse area larger than required

SUMMARY

Most preferred site, slightly too large but potentially it could accommodate the SDA as well

E1 CUMBERNAULD - 6 GRAYSHILL ROAD

SITE RESPONSE

As drawn site red line boundary area:
4.47AC / 1.81HA / 18,117m²

As drawn site red line boundary perimeter:
563.1m

Existing footprint circa: 4,643m²
As drawn GIA Level 00 circa: 4,503m²

Of which:
Vehicle Workshop (9 lanes) 1,760m²
Workshop 642m²
Oil Storage etc. 97m²
Store 953m²
ICT 104m²
Mess 104m²
Offices 322m²
Reception + Waiting 68m²
WCs + Changing etc. 104m²

As drawn GIA Level 01 circa: 1,253m²

Of which:
Store Mezzanine 476m²
Offices 743m²

Net to Gross 85%

60 car parking spaces + deliveries area.

- KEY
- Entrance + Reception
 - Offices
 - ICT
 - Store
 - ARC Workshops + Offices
 - Vehicle Workshop



LEVEL 00 PLAN

LEVEL 01 PLAN

E2 CUMBERNAULD - 8 GRAYSHILL ROAD

SITE ANALYSIS



Site Aerial Image



Building As Existing

CONSIDERATIONS

8 Grayhill Road, Cumbernauld, G68 9HQ – 55,162sqft

- 2 large car parks / yards either side of property, with the potential for access from either side, room for 7 bays on right and 6 on left
- Landscaping zone adjacent to carpark would require to be removed, element of retaining required to create yard area
- 2 existing floors of offices
- Heavily fitted out as office space currently for IBM, Dilapidations in progress, potential to get involved for ideal fit out
- Roller shutter door, 5.7m wide x 6m high, u/s haunch height 6m
- Heavy power generator equipment at rear of site, restricting access, however likely to be remove in dilaps
- At end of quiet road, ideal for sitting vehicles

SUMMARY

To be considered & layout for ARC brief to be incorporated, good asking price yet potential for expensive yard formation costs

E2 CUMBERNAULD - 8 GRAYSHILL ROAD

SITE RESPONSE

As drawn site red line boundary area:
3.34AC / 1.35HA / 13,471m²

As drawn site red line boundary perimeter:
504.6m

Existing footprint circa: 3,514m²
As drawn GIA Level 00 circa: 3,393m²

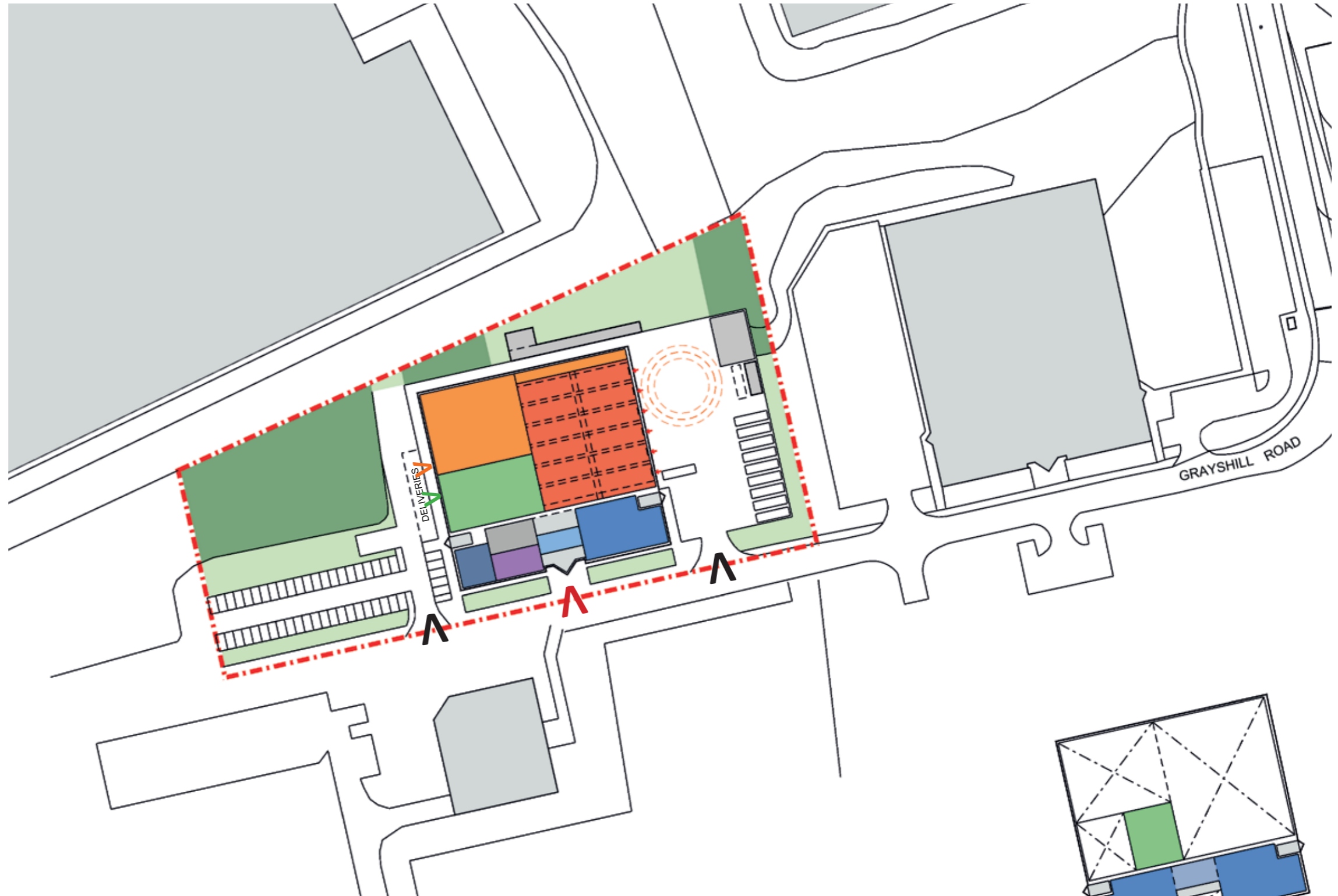
Of which:
Vehicle Workshop (6 lanes) 1,334m²
Workshop 642m²
Oil Storage etc. 97m²
Store 460m²
ICT 104m²
Mess 104m²
Offices 322m²
Reception + Waiting 68m²
WCs + Changing etc. 104m²

As drawn GIA Level 01 circa: 1,007m²

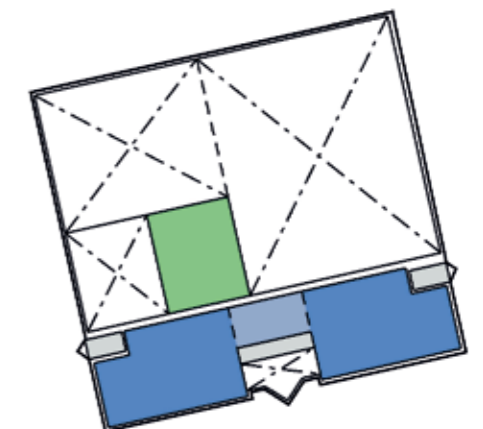
Of which:
Store Mezzanine 230m²
Offices 743m²

Net to Gross 85%

45 car parking spaces + deliveries area.



- KEY
- Entrance + Reception
 - Offices
 - ICT
 - Store
 - ARC Workshops + Offices
 - Vehicle Workshop



LEVEL 00 PLAN

LEVEL 01 PLAN

E3 BOTHWELL - 5 ASHLEY DRIVE

SITE ANALYSIS



Site Aerial Image



Building As Existing



Building As Existing- Warehouse Interior

CONSIDERATIONS

5 Ashley Drive, Bothwell, G67 8BS – 47,322sqft

- Large amount of yard space but currently restricted access to warehouse through 2 dock levellers
- Current awkward building configuration, part demolition required to create better access to warehouse
- Warehouse size 50.8m x 22m, 8 bays could be accommodated within warehouse
- 6 m structural grid, 7.5m to u/s eaves, 9.4m to u/s of ridge
- Lots of equipment left behind throughout property, some of which heavy and would require heavy strip out.
- Dilaps survey required regarding strip out of previous owner's fitout/equipment

SUMMARY

Good warehouse space, demolition required for potential access. No further input undertaken at present although it may have potential.



Building As Existing- Canteen Interior



Building As Existing- Warehouse Interior

E3 BOTHWELL - 5 ASHLEY DRIVE

SITE RESPONSE

As drawn site red line boundary area:
2.69AC / 1.09HA / 10,892m²

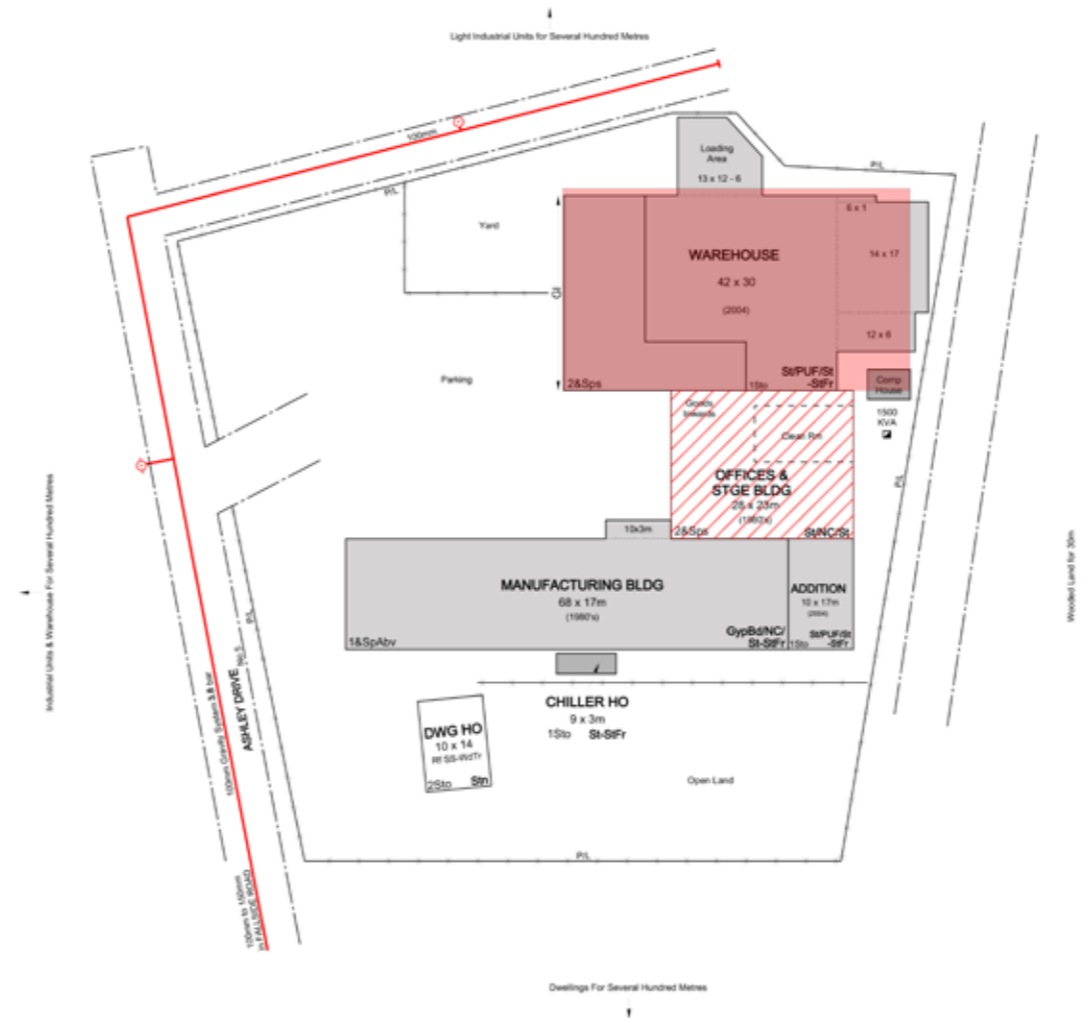
As drawn site red line boundary perimeter:
412.6m

Existing footprint circa: 2,749m²
As drawn GIA Level 00 circa: 3,393m²

SUMMARY

This option does not work as to gain access to the workshop (shown in red), the central piece of the existing building would need to be demolished.

The demolition of the central part of the existing building would reduce the area to 2749m² which is under the required brief area of 3,773m², thus, inefficient amount of area remaining to accommodate the brief.



KEY

- Entrance + Reception
- Offices
- ICT
- Store
- ARC Workshops + Offices
- Vehicle Workshop

E4 CUMBERNAULD - 3 DUNNS WOOD ROAD

SITE ANALYSIS



Site Aerial Image



Building As Existing



Building As Existing- Warehouse Interior

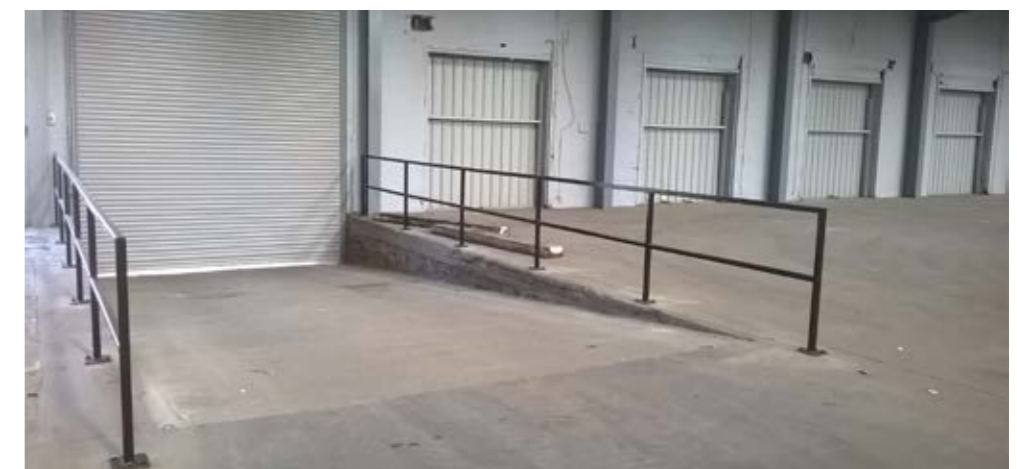
CONSIDERATIONS

3 Dunns Wood Road, Cumbernauld, G67 3ES – 30,061sqft

- Good yard space at front of building, insufficient at sides and rear, would not have 360 access
- 2 roller shutter doors currently in place (4.7m x 3.6m), 5.8m external height of door
- Finished slab level raised up 900mm from yard level, ramps would be required & existing for 2 access doors but this restricts area both internally & externally
- 4.5m structural grid, 9m to ridge support

SUMMARY

Change in level between yard & finished internal slab restricts viability of scheme as well as reduced external circulation to the building. No further input undertaken.



Building As Existing- Warehouse Interior

E5 BARNHILL - 600 EDGEFAULD ROAD

SITE ANALYSIS



Site Aerial Image



Building As Existing

CONSIDERATIONS

600 Edgefauld Road. Atlas Industrial Estate, G21 4NB – 37,477sqft

- 360 access possible with large rear access, although single storey offices to the front would require to be demolished
- Access from Edgefauld Road tight
- Good location to city centre and motorways.
- Existing central partitioning within the main warehouse to be demolished
- On market for 1 year, on a ground lease with 54 years left till expiry
- Brick built external walls structure
- Roof structure is not a portal frame, very low u/s of steel truss of 3.6m, at every 4.5m centres
- Previously occupied by Remploy, dated internal accommodation

SUMMARY

Existing structure/roof trusses and height would restrict the building use. No further input undertaken.



Building As Existing - Warehouse Interior



Building As Existing- Rear Yard



APPENDIX 2

ASSESSMENT OF LONG LIST OPTIONS

Long List of Options Site Availability Schedule North Lanarkshire

May 2017

Prepared for
Scottish Fire & Rescue Service



Requirement Brief

Cushman & Wakefield understand that the Scottish Fire and Rescue Service (SFRS) requires a new Service Delivery Area (SDA) and Area Resource Centre (ARC) to replace the existing functions within Bothwell Road, Hamilton. Whilst the existing estate in Hamilton also has an operational fire station, this is not required to be relocated unless it forms part of the wider strategy to relocate the SDA and ARC.

The option to retain the existing Hamilton site is available however this poses operational risks. Consideration of alternative sites which meet the critical success factors of SFRS has been undertaken. The following schedule of available sites within Lanarkshire outlines alternative options which may be suitable for a Design and Build opportunity. With an option to utilise part of the existing Bothwell Road site the following broad based redevelopment options below have been considered.

No.	Option	Benefit	Limitations
1	Utilise the existing site. Demolish existing SDA and ARC to make way for new facility.	<ul style="list-style-type: none"> Site meets capacity requirements No need for site acquisition 	<ul style="list-style-type: none"> Operational constraints/ risks
2	Relocate the SDA and ARC to new facility. Retain fire station at Bothwell Road and sell part site.	<ul style="list-style-type: none"> Cost benefits of retaining existing fire station, subject to considering whole life 	<ul style="list-style-type: none"> Disruption to existing site during demolition. Capital expense of acquiring a new site.
3	Relocate whole facility to permit sale of Bothwell Road site.	<ul style="list-style-type: none"> Generate capital receipt of site sale. Create bespoke facility 	<ul style="list-style-type: none"> Increased cost of relocating fire station in addition to SDA and ARC.
4	Relocate to an existing office or industrial facility, with adjacent area for development.	<ul style="list-style-type: none"> Potentially considerably cheaper than building new. Accelerates the programme for delivery Incurs greater spend up front. 	<ul style="list-style-type: none"> May require degree of retrofitting to bring up to SFRS requirements.

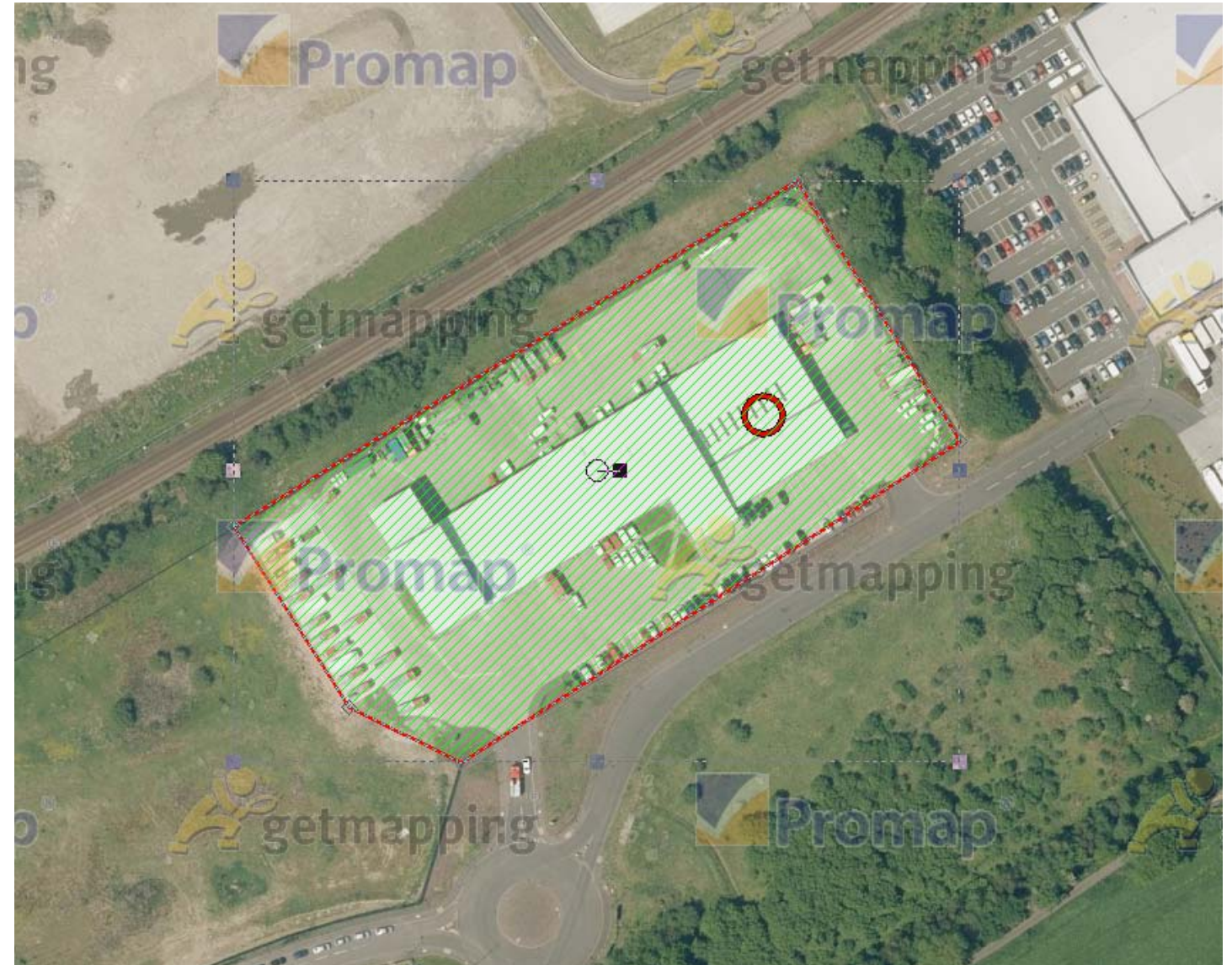
Requirement Brief

On the advice of SFRS, the site in Newbridge, Edinburgh has been used as the blueprint for the new West facility. It is understood however that the existing site in Hamilton has greater staff levels which may impact on the footprint (and land take) of the SDA.

The existing site at Newbridge extends to approximately 3.7 acres, however this includes a fire station. As such, a wider search has been conducted to include smaller site which could be capable of accommodating the SDA and ARC alone, to larger options which would incorporate all functions of the existing Hamilton facility.

The SFRS site search requirement brief is as follows:

- **Location:** North Lanarkshire
- **Size:** 2 – 7 acres
- **Tenure:** Heritable
- **Timing:** Immediate
- **Specification:** Good proximity to motorway network and public transport infrastructure



Summary of Options

Option 1

Address: 99 Bothwell Road, Hamilton

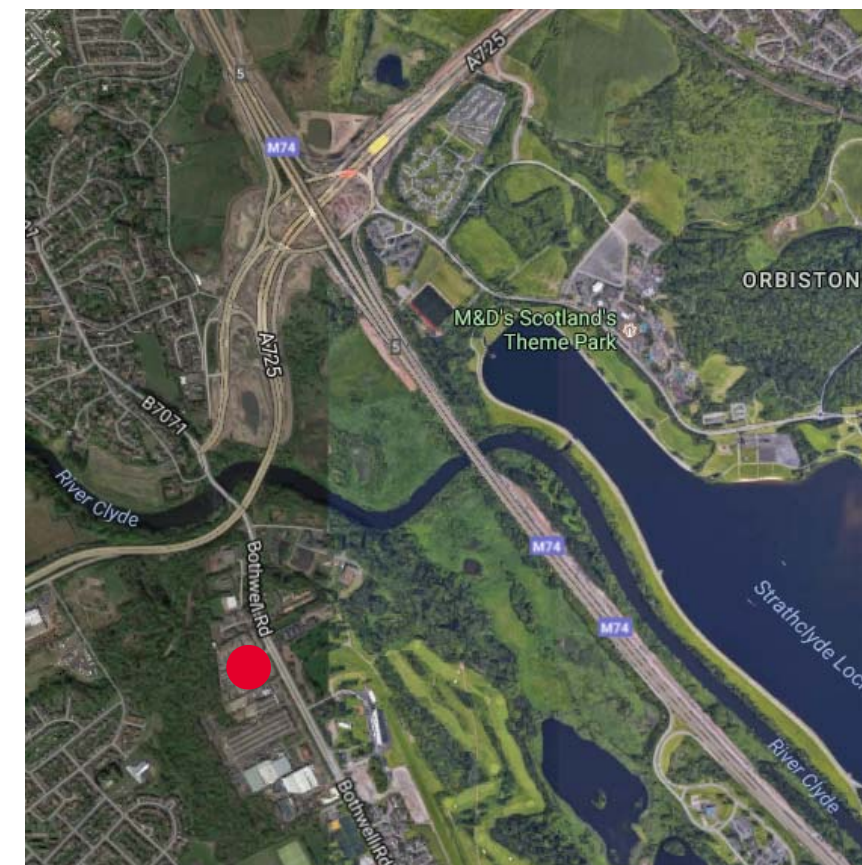
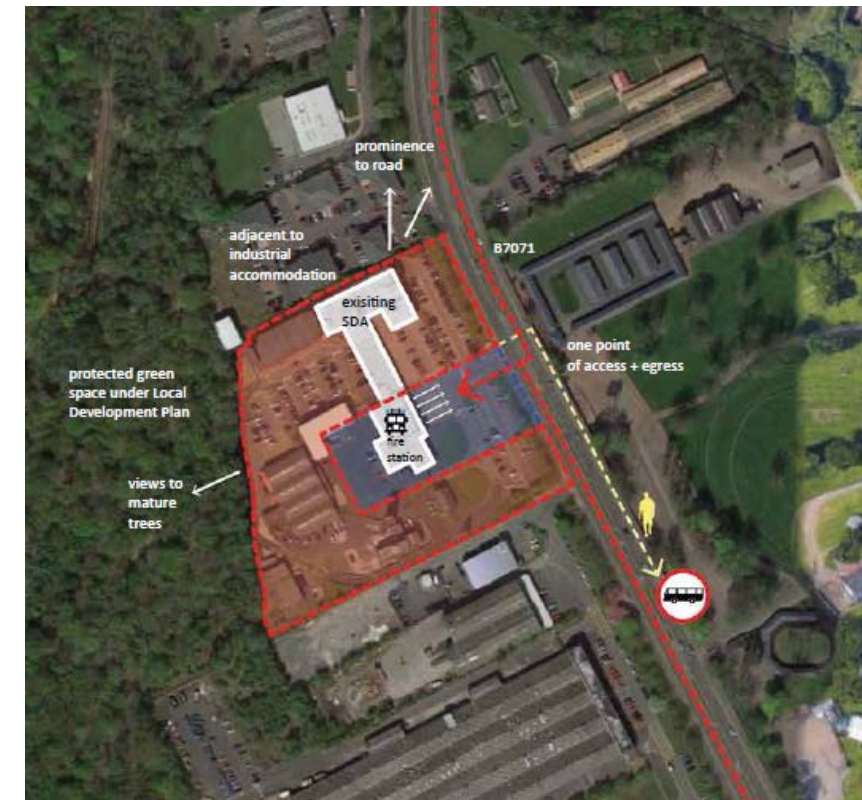
Vendor: N/A

Size: 5.9 acres

Price: N/A

Comments:

- Opportunity to partially refurbish existing facility or demolish and create new facility to rear of the site.
- Well located site close to Raith Interchange and Junction 5 of the M74 Motorway.
- Significant parking provision of approximately 230 spaces based on current configuration.
- Regular shaped site, albeit, would require to work around existing fire station situated in the middle which limits the flexibility of the site.
- Replacing existing facility and therefore planning risk very low.



Summary of Options

Option 2

Address: Westfield Industrial Estate

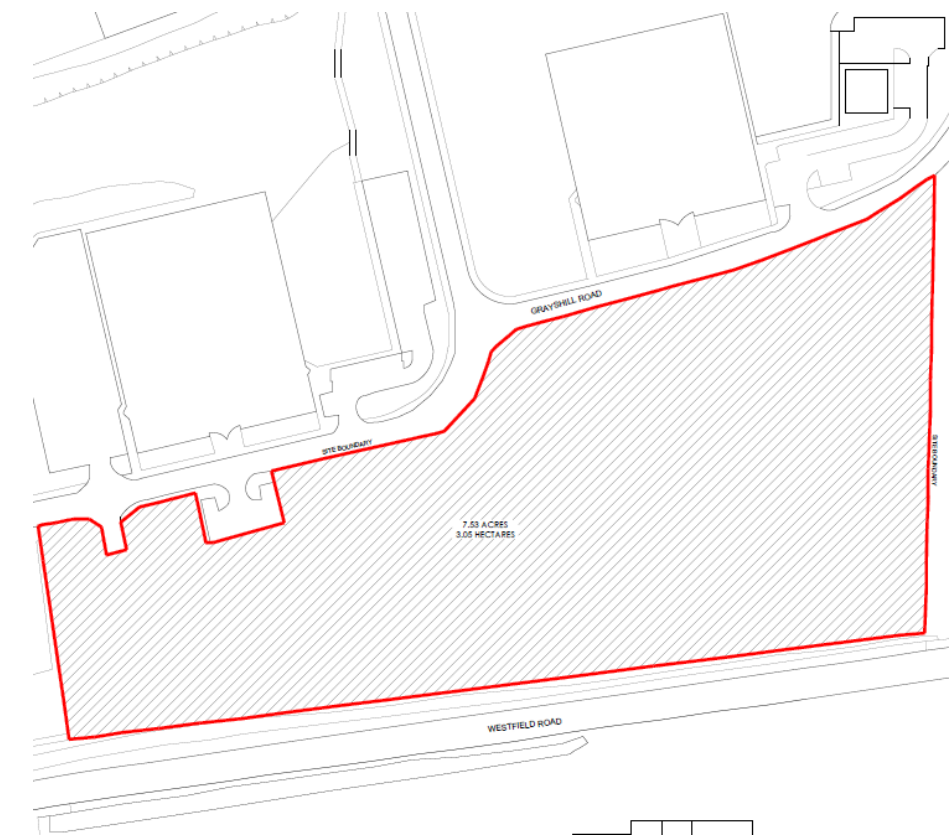
Vendor: Henry Boot Developments

Size: 7.26 acres (Comprises 5 sites available from 1.07 acres)

Price: £125,000 per acre (open to offers)

Comments:

- Located off J4 of the M80 Motorway to the rear of Westfield Industrial Estate. Accessed off Grayshill Road and surrounded by industrial development.
- Held by Henry Boot for several years due to lack of speculative industrial development
- Good transport links to the site via the M80 and M73 providing immediate access to Glasgow City Centre and wider motorway network.
- Poor public transport connectivity
- Site narrow in depth.
- Currently unsurfaced but largely flat site, and services leading to roadside only.
- Overhead pylons may prohibit development in areas.
- Currently zoned for 'Industrial and Business' under the North Lanarkshire Plan.



Summary of Options

Option 3

Address: Eurocentral

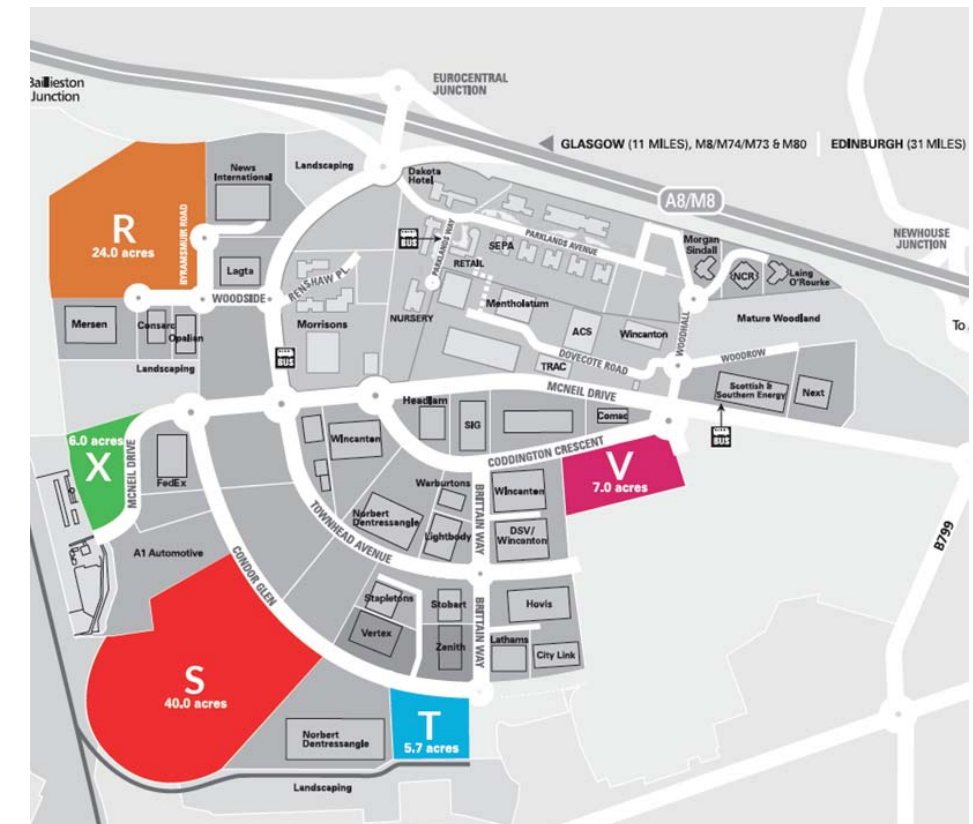
Vendor: Scottish Enterprise

Size: Plot T (5.7 acres) or Plot R (up to 40 acres)

Price: Approx £175,000 - £225,000 per acre (headline)

Comments:

- Established business park location, located 31 miles from Edinburgh and 11 miles from Glasgow via the M8 Motorway.
- Regular bus services to site.
- Headline price does not account for abnormalities.
- Both sites capable of subdivision and fully serviced.
- 10 acres of Plot R is under offer, and 5-6 acres with interest to another party. Would leave c.8 acres.



Summary of Options

Option 4

Address: Eurocentral

Vendor: Muse Developments

Size: Plots H, I J & K (5 – 11.8 acres)

Price: Approx £180,000 per acre (headline)

Comments:

- Established business park location, located 31 miles from Edinburgh and 11 miles from Glasgow via the M8 Motorway.
- Regular bus services to site.
- Headline price does not account for abnormalities.
- Sites capable of subdivision and fully serviced.



Summary of Options

Option 5

Address: Development site, M73 Link Road, Gartcosh

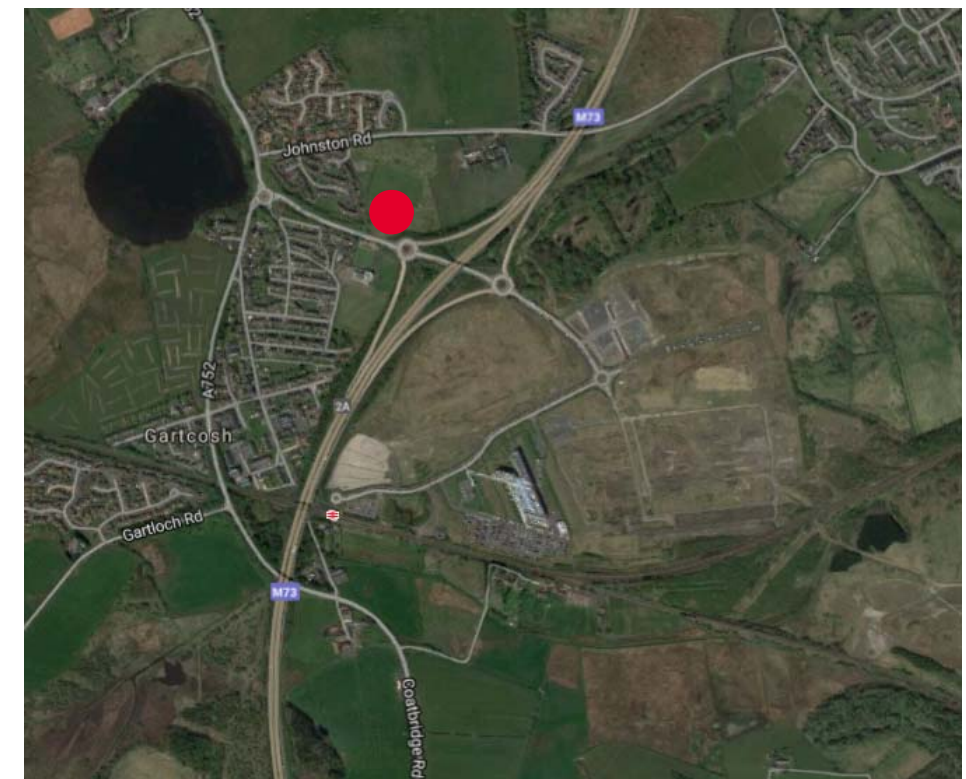
Vendor: Private

Size: 6.9 acres

Price: Offers invited.

Comments:

- Located adjacent to J2A of the M73 Motorway.
- Bound to the west by residential with agricultural land to the north and east.
- 0.6 miles (15 mins walk) from Gartcosh Train Station.
- Formerly consented for roadside facilities (2006), however open to alternative uses STP.



Summary of Options

Option 6

Address: Laverock Knowe Quarry, Raebog Road, Glenmavis

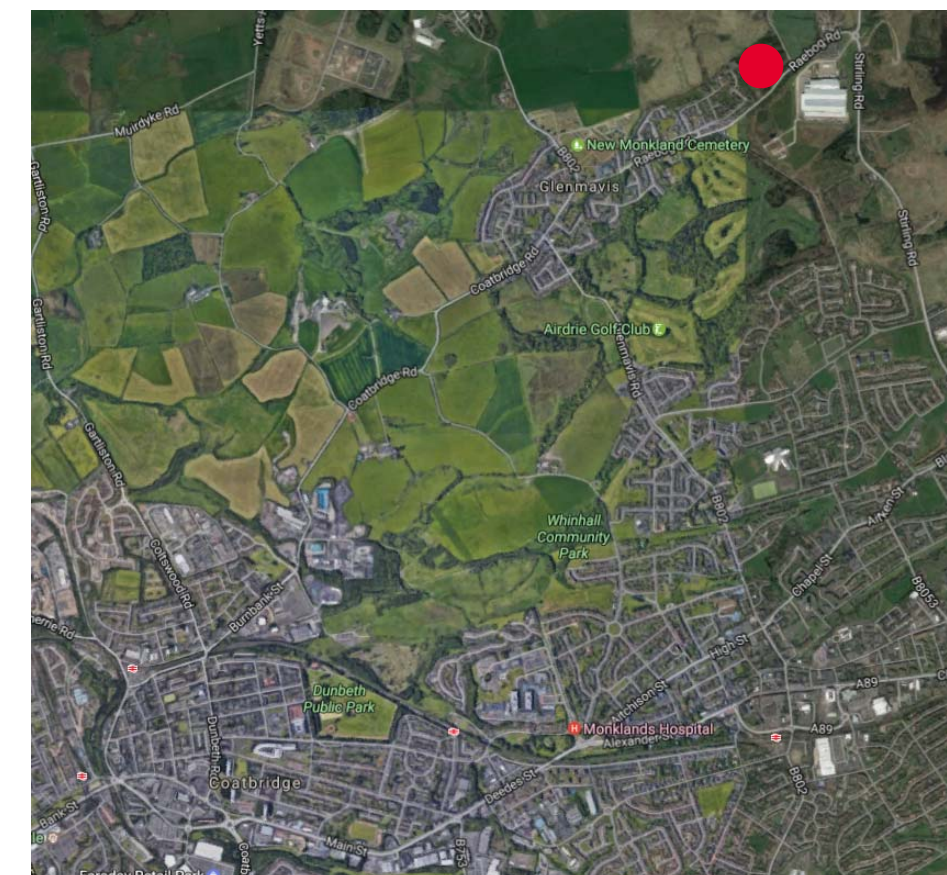
Vendor: Private

Size: 11.26 acres

Price: Offers invited.

Comments:

- Located 2.5 miles north of Airdrie, and accessed off Raebog Road, and 1.5 miles north of the M8 Motorway.
- Surrounded by a mix of housing and industrial uses.
- Former sandstone quarry currently zoned as Green Belt and a Site of Importance for Nature Conservation, albeit the site is understood to be recognised as 'brownfield'.
- Site generally level however scrubland and requires clearing prior to development.
- No known services running to the site.



Summary of Options

Option 7

Address: West Site, Strathclyde Business Park

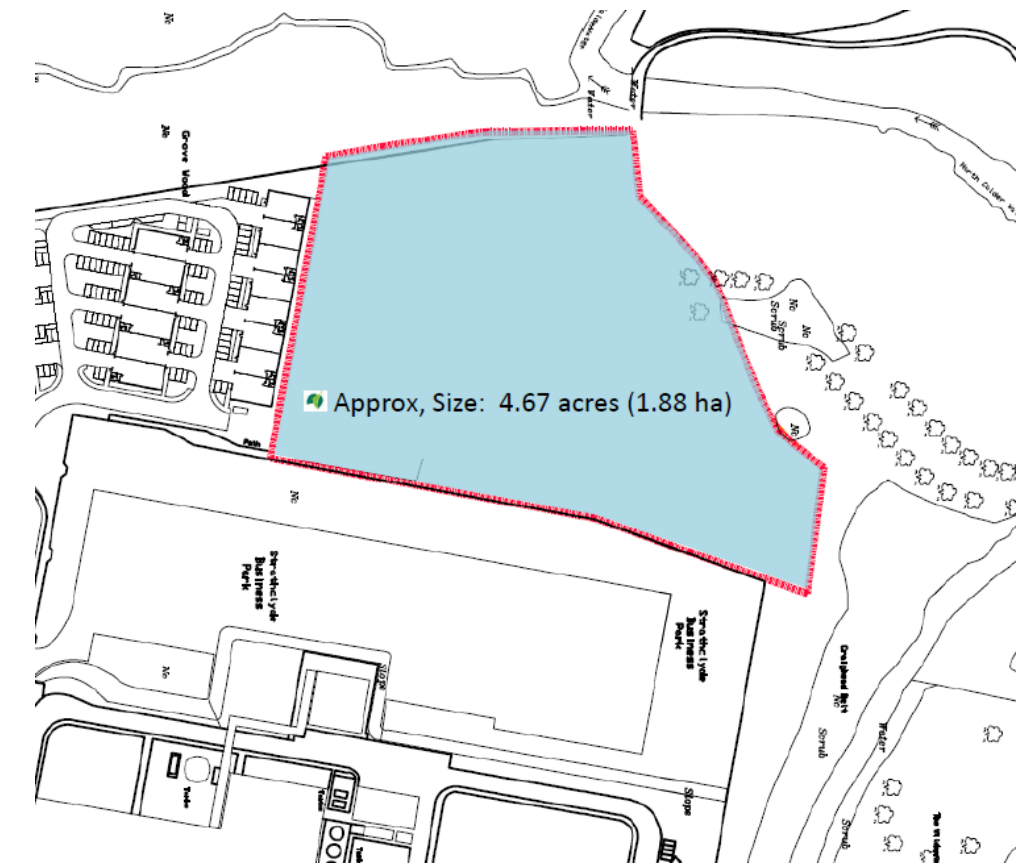
Vendor: HFD Property Group Ltd

Size: 4.67 acres

Price: Not disclosed.

Comments:

- Established business park location incorporating a mix of office and industrial development.
- Accessed off J5 of the M74 and via the A725. Easy access to the M73 and M8 motorways.
- Well serviced by public transport including bus services running directly to the park and providing a direct link to Bellshill Train Station. Bellshill (2 miles), Whifflet (2 miles), Uddingston (3 miles) and Motherwell (4 miles) within close proximity.
- Site currently scrubland.



Summary of Options

Option 8

Address: Goil Avenue, Righead Industrial Estate, Bellshill

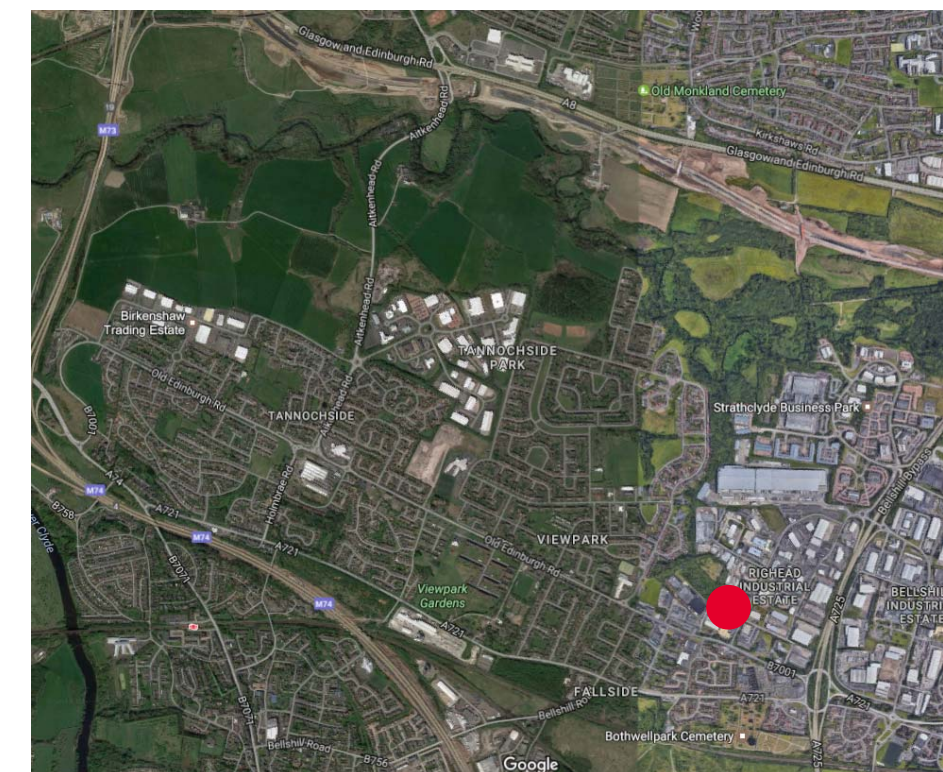
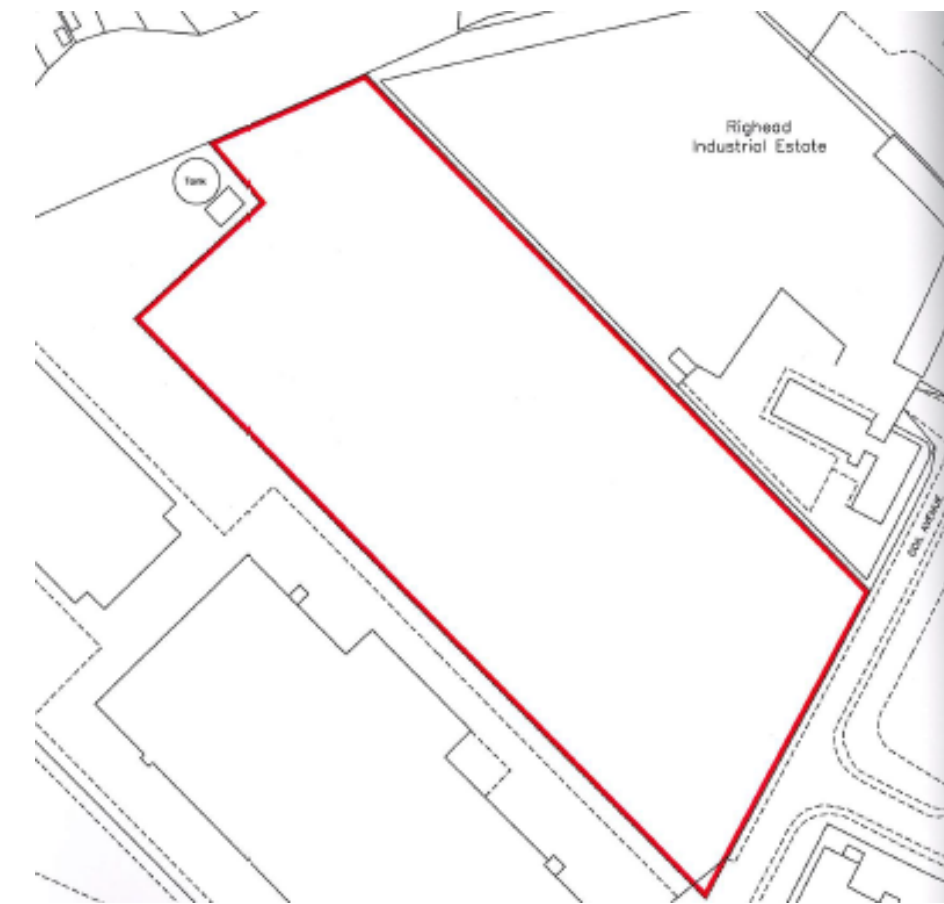
Vendor: Russel Logistics

Size: 6.95 acres

Price: Offers in region of £1m.

Comments:

- Established industrial estate accessed off J5 of the M74 and via the A725. Easy access to the M73 and M8 motorways.
- Generally level site with areas of hardcore and grass tress, but has been cleared for development.
- Bound by industrial development to the north, east and south with residential to the west.
- SI reports are available and the site is understood to be serviced.



Summary of Options

Option 9

Address: Wardpark South, Cumbernauld

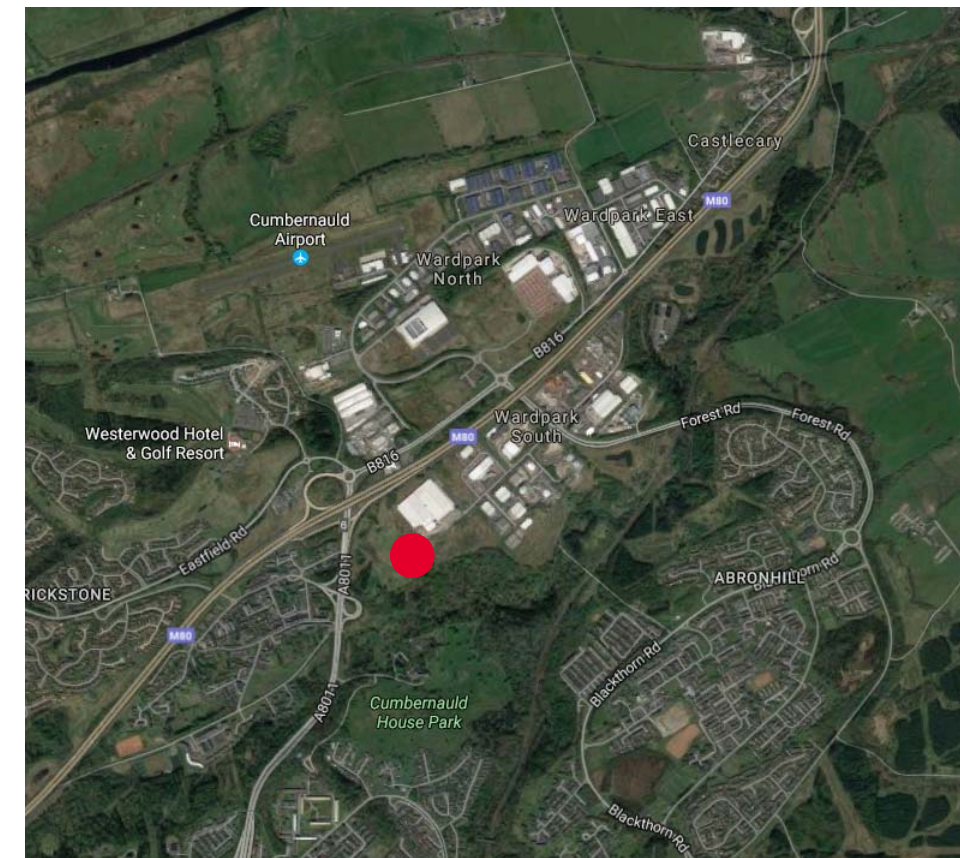
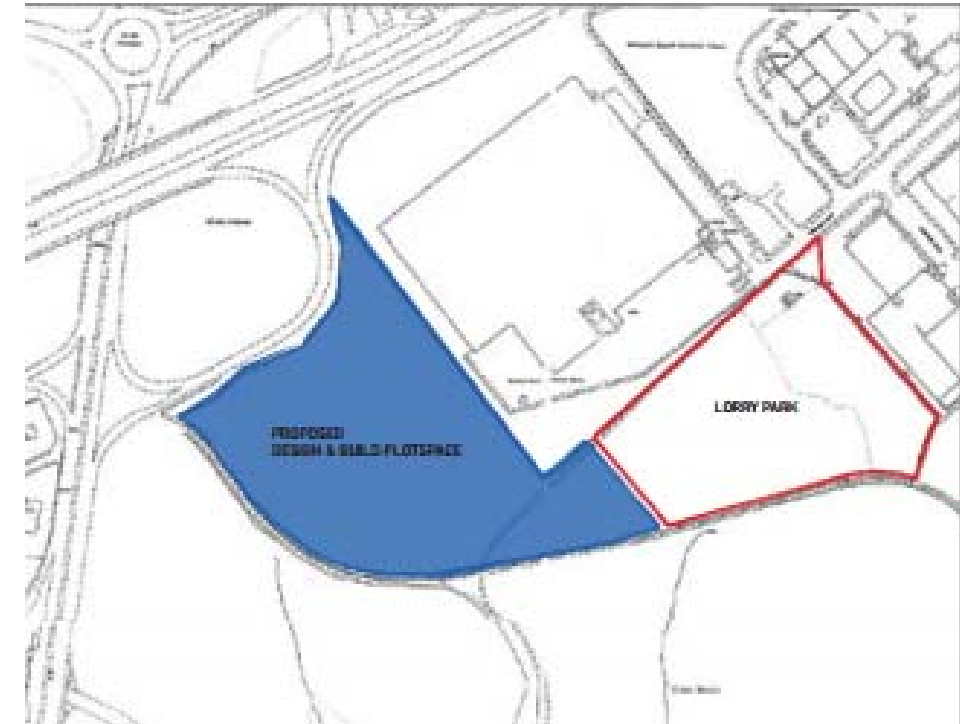
Vendor: Private

Size: 15.2 acres

Price: No pricing.

Comments:

- Established industrial estate located off J6 of the M80 motorway. Good immediate access onto the motorway.
- Irregular shaped site with consent for Classes 4, 5 and 6.
- Site largely level and able to be split. Currently scrubland and services running to road leading to the site.



Summary of Options

Option 10

Address: Glencryan Road, Carbrain Industrial Estate, Cumbernauld

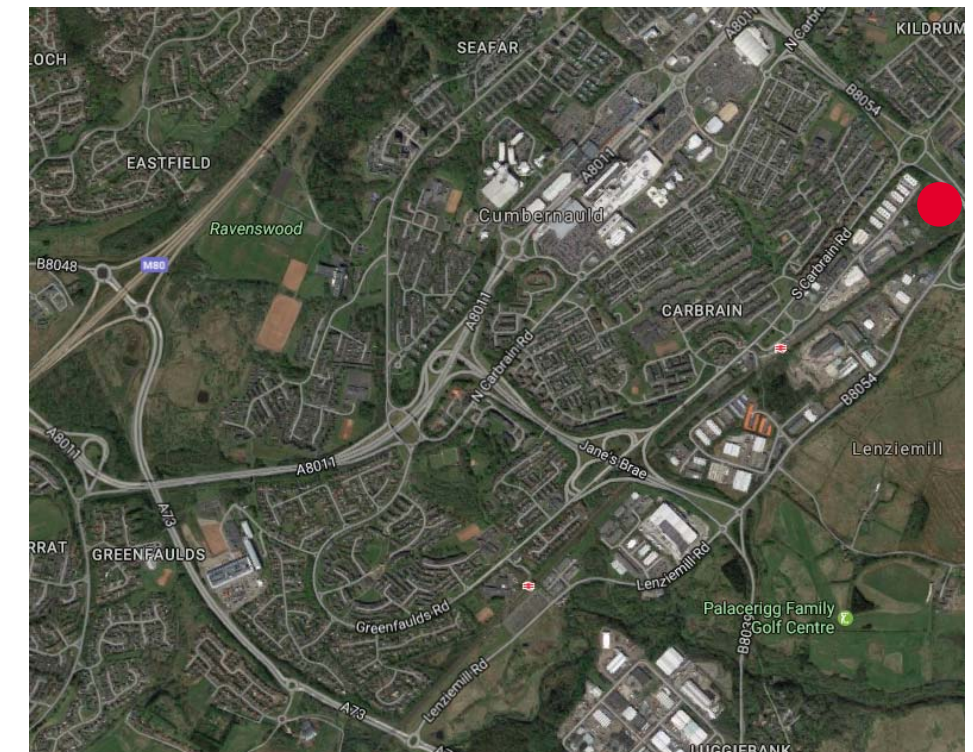
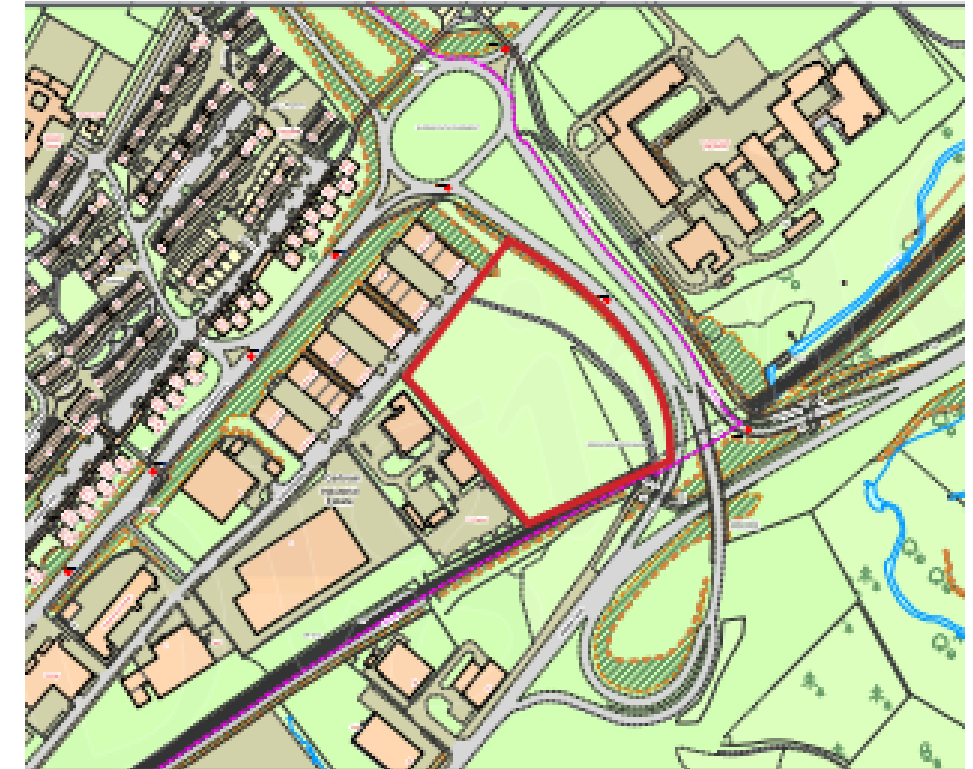
Vendor: Private

Size: 7 acres

Price: No pricing.

Comments:

- Established industrial estate located off J4a of M80 Motorway within secondary industrial estate.
- Mix of industrial and residential accommodation and situated to the rear of the estate, with convoluted road access.
- Site largely level and able to be split.
- Currently scrubland and services running to road leading to the site.
- 0.6 miles (12 minute walk) from Cumbernauld Train Station.



Summary of Options

Option 11

Address: Gartcosh Business Exchange, Plot 1A West

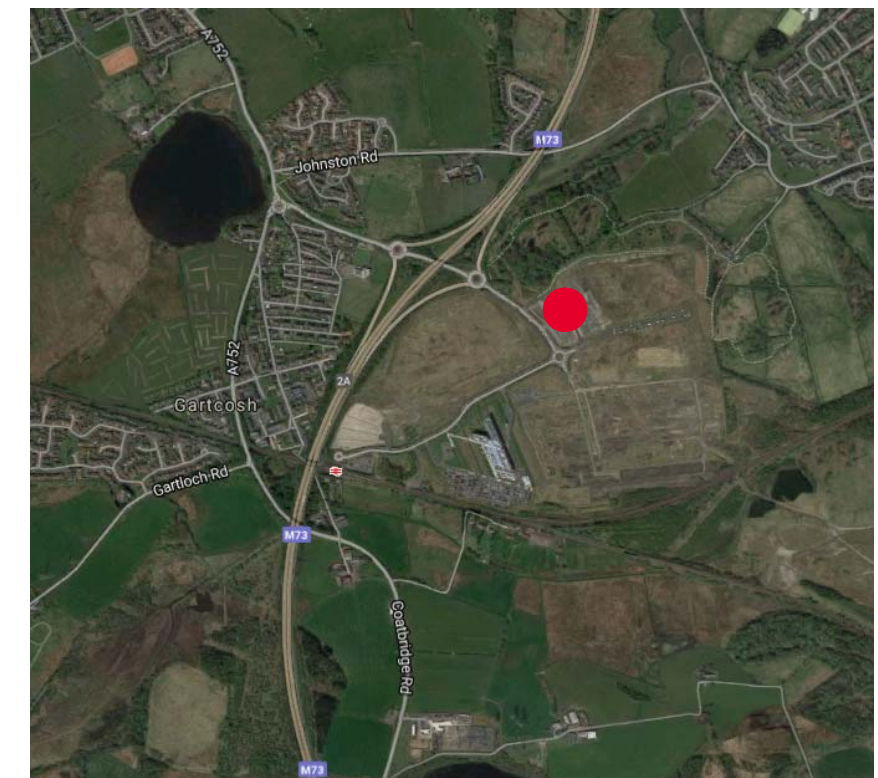
Vendor: Fusion Assets

Size: 6.25 acres

Price: No pricing.

Comments:

- Well located site off J2a of M73 Motorway. Good transport links to M8, M74 and M80 motorway network.
- Approx 60,000 - 80,000 sq ft of industrial accommodation proposed.
- 0.5 miles from Gartcosh Train Station.
- Site has been levelled and remediated with road infrastructure in place.
- Fusion able to deliver development if required however clarification re sale required. Fusion currently proposing a JV development to deliver 60,000 sq ft of industrial accommodation.



Summary of Options

Option 12

Address: Belgowan Street, Bellshill North, Bellshill

Vendor: Clowes Developments

Size: 6.01 acres

Price: Offers in excess of £1m

Comments:

- Well located site off A725, and immediately opposite Strathclyde Business Park. Excellent road frontage onto A725.
- Irregular shaped site however generally level. Net developable area may not be sufficient for proposed use.
- Bound to the west and north by the A725, industrial to the south and residential to the east. .
- Bought at a historically high level and unsure whether vendor would sell.



Summary of Options

Option 13

Address: Compass House, Tannochside Business Park

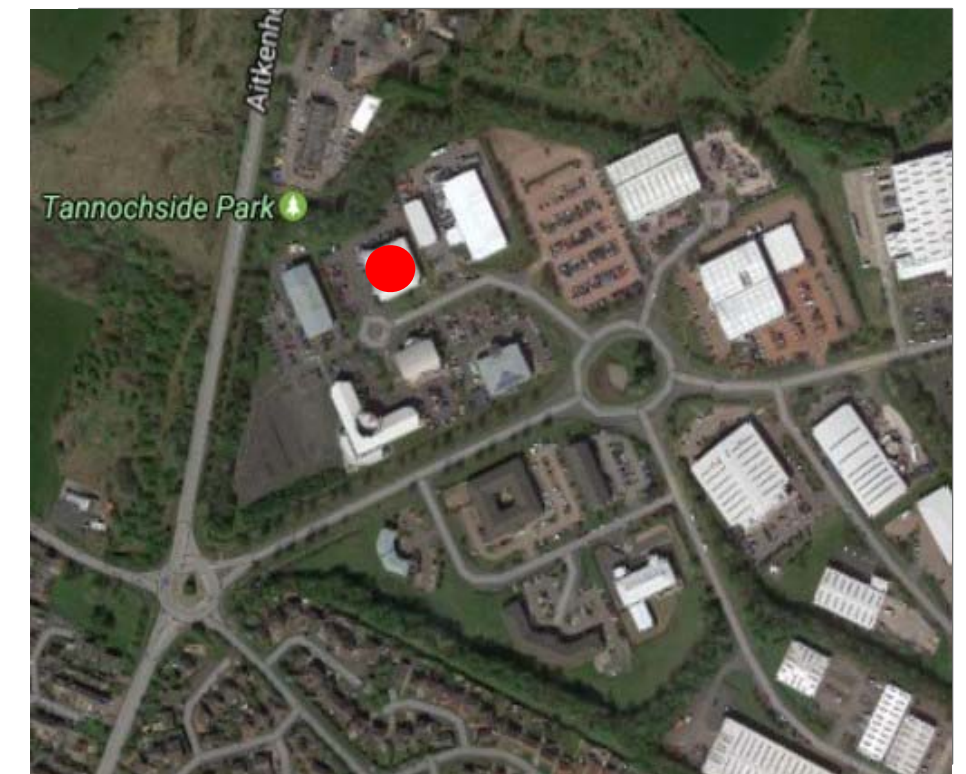
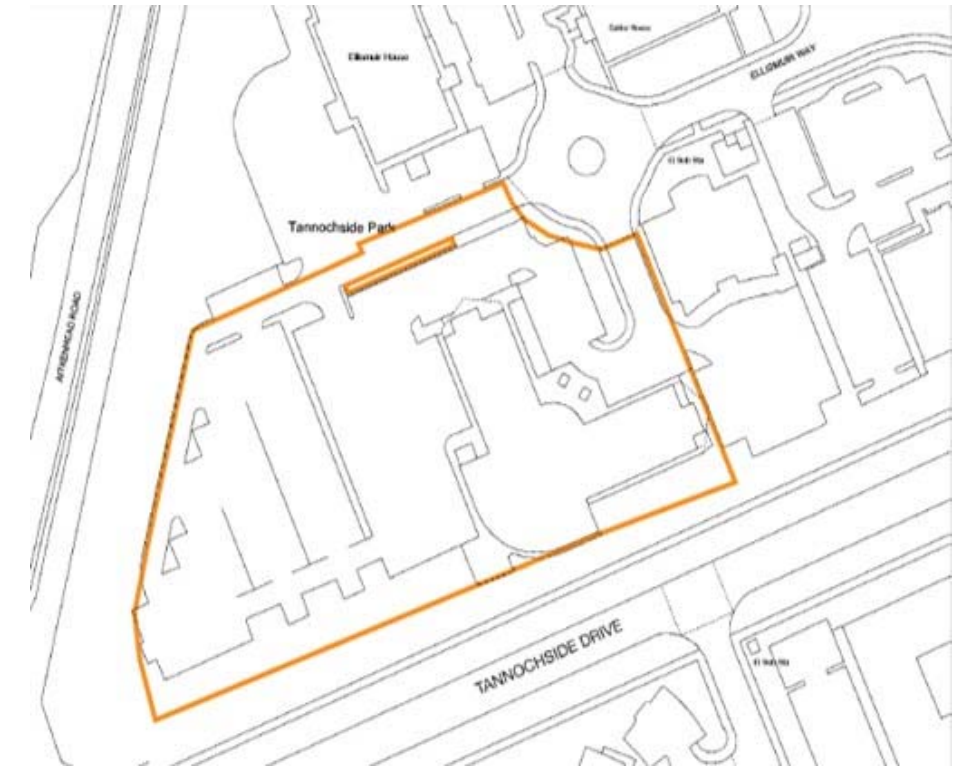
Vendor: Private

Size: 30,000 sq ft (office)

Price: TBC (sold at auction in 2017 for £387,000)

Comments:

- Dilapidated property requiring renovation.
- Well located adjacent to M74 and M73 motorways.
- Extensive car park extending to c. 1.5 acres (total site area of 3.026 acres). Site area may not be sufficient for proposed use.



Summary of Options

Option 14

Address: Carlisle Road, Airdrie

Vendor: Dalton Metals

Size: 7.943 acres

Price: Site yet to be brought to market.

Comments:

- Located in Airdrie town centre.
- Former Daltons scrapyards.
- Equidistant from Drumgelloch and Airdrie train stations (c0.8 miles).
- Bound to north by railway line with residential development surrounding.
- Earmarked for residential scheme and expected to come to the market shortly.



Summary of Options

Option 15

Address: Albion Rovers Football Club, Main Street, Coatbridge

Vendor: North Lanarkshire Council

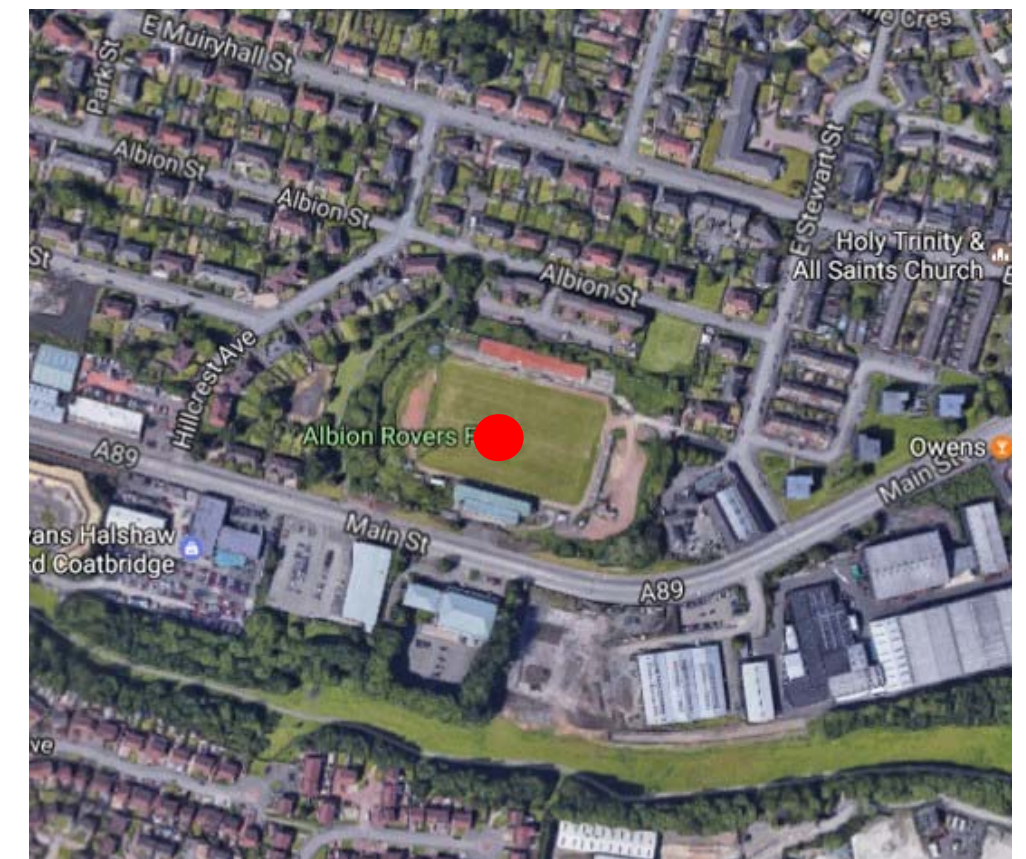
Size: 6.2 acres

Price: TBC

Comments:

- Confidential masterplan to relocate the football ground – currently earmarked for mixed use residential scheme.
- May consider alternative scheme which could unlock potential. Project team currently North Lanarkshire Council, Robertson Group and Dorton B3.

Title Plan



Summary of Options

Option 16

Address: Gartcosh Business Exchange, Plot 1A East

Vendor: Scottish Enterprise

Size: 12.83 acres – sub divisible

Price: £125,000

Comments:

- Balance of site not sold to Fusion Assets, however Fusion Assets do have an interest to extend their current scheme by c.50% on land immediately east of Plot 1A West.
- Road access would be required via new Glenboig Link Road.
- Well located, adjacent to Junction 2a of M73.
- Gartcosh Train Station approximately 8 minutes walk. Local bus services available nearby within approximately 15 minutes walk.



Summary of Options

Option 17

Address: Gartcosh Business Exchange, Site 3

Vendor: Scottish Enterprise

Size: 33.7 acres – sub divisible

Price: £125,000 per acre

Comments:

- Site located opposite Plot 1A West. No road access into site at present however Scottish Enterprise indicated they would be open to subdividing to accommodate smaller requirements.
- New road access into site required.
- Site bound to the south by Craignethan Drive which currently suffers from traffic congestion from vehicles belonging to Scottish Crime Campus.
- Well located, adjacent to Junction 2a of M73
- Gartcosh Train Station approximately 7 minutes walk. Local bus services available nearby within approximately 15 minutes walk.



APPENDIX 3

QUALITATIVE (NON-FINANCIAL) OPTION ASSESSMENT

QUALITATIVE ASSESSMENT

SFRS WEST ARC RELOCATION

SITE ASSESSMENT

BENEFITS CRITERIA	WEIGHTING
1.00 Site Ownership/Acquisition Issues	7.50
2.00 Consistency with Planning Policy	10.00
3.00 Suitability of site size and shape	12.50
4.00 Enabling Infrastructure Present	10.00
5.00 Site Complexity/Abnormals for Construction	7.50
6.00 Neighbourhood Suitability	7.50
7.00 Accessibility/Public Transport	7.50
8.00 Visibility	5.00
9.00 Aspect	5.00
10.00 Delivery Timescales	7.50
11.00 Business Disruption	7.50
12.00 Suitability of Premises Delivered	12.50

TOTALS 100.00

RANKING

SCORING (Before Weighting)

Base Case	Hamilton Rd Bothwell Redevelopment	Goil Avenue Righead Ind Estate	Gartcosh Site 1A West	Gartcosh Site 1A East	Gartcosh Site 3	SFRS HQ Site Cambuslang
10.00	10.00	4.00	7.00	7.00	7.00	10.00
10.00	10.00	7.00	8.00	8.00	8.00	10.00
3.00	5.00	6.00	8.00	8.00	9.00	9.00
10.00	5.00	5.00	5.00	5.00	5.00	8.00
5.00	4.00	6.00	7.00	7.00	6.00	8.00
8.00	10.00	6.00	10.00	10.00	10.00	10.00
8.00	8.00	4.00	7.00	7.00	7.00	8.00
4.00	9.00	2.00	6.00	6.00	7.00	6.00
4.00	7.00	3.00	6.00	6.00	6.00	6.00
8.00	6.00	6.00	8.00	8.00	8.00	10.00
2.00	4.00	10.00	10.00	10.00	10.00	10.00
2.00	8.00	10.00	10.00	10.00	10.00	10.00

74.00 86.00 69.00 92.00 92.00 93.00 105.00

SCORING (After Weighting)

Base Case	Hamilton Rd Bothwell Redevelopment	Goil Avenue Righead Ind Estate	Gartcosh Site 1A West	Gartcosh Site 1A East	Gartcosh Site 3	SFRS HQ Site Cambuslang
75.00	75.00	30.00	52.50	52.50	52.50	75.00
100.00	100.00	70.00	80.00	80.00	80.00	100.00
37.50	62.50	75.00	100.00	100.00	112.50	112.50
100.00	50.00	50.00	50.00	50.00	50.00	80.00
37.50	30.00	45.00	52.50	52.50	45.00	60.00
60.00	75.00	45.00	75.00	75.00	75.00	75.00
60.00	60.00	30.00	52.50	52.50	52.50	60.00
20.00	45.00	10.00	30.00	30.00	35.00	30.00
20.00	35.00	15.00	30.00	30.00	30.00	30.00
60.00	45.00	45.00	60.00	60.00	60.00	75.00
15.00	30.00	75.00	75.00	75.00	75.00	75.00
25.00	100.00	125.00	125.00	125.00	125.00	125.00

610.00 707.50 615.00 782.50 782.50 792.50 897.50

7 5 6 3 3 2 1

APPENDIX 4

COST MODEL FOR SHORT-LISTED OPTIONS

FEASIBILITY COST BREAKDOWN

SFRS WEST ARC AND HUB RELOCATION

COMMENTS/CLARIFICATIONS

1. All budget costs are based on the Keppie Design Site Appraisals Report (ARC Only) dated October 2017
2. No allowance included for abnormal ground conditions within budget costs.
3. No capital receipt assumed as Hamilton site cannot be disposed with SDA and fire station remaining in position.
4. None of the budget costs allow for any works required on the Hamilton site to either demolish existing facilities, or alter/redevelop the SDA facilities.
5. No site purchase costs assumed for Cambuslang site, assumed already in SFRS ownership.
6. Site Purchase costs are based on initial dialogue with landowners and the areas utilised based on the blue boundary line within the Keppie Design Report.

SITE OPTIONS FEASIBILITY COSTS	NEW SITE OPTION 1 Hamilton Existing SDA	NEW SITE OPTION 8 Bellshill Righead	NEW SITE OPTION 11 Gartcosh 1A West	NEW SITE OPTION 16 Gartcosh 1A East	NEW SITE OPTION 17 Gartcosh Plot 3	NEW SITE OPTION 18 Cambuslang National HQ
CONSTRUCTION COSTS	TOTALS	TOTALS	TOTALS	TOTALS	TOTALS	TOTALS
Total Indicative Construction Costs	£ 7,314,961	£ 5,338,551	£ 5,127,393	£ 4,945,522	£ 5,118,626	£ 5,186,426
Total Stage 1 Costs	£ 117,798	£ 98,129	£ 96,028	£ 94,218	£ 95,940	£ 96,615
Total Stage 2 Costs	£ 248,914	£ 193,819	£ 187,933	£ 182,863	£ 187,689	£ 189,579
Other Costs/Fees	£ 24,576	£ 17,936	£ 17,226	£ 16,615	£ 17,197	£ 17,425
SUB-TOTAL OF CONSTRUCTION COSTS	£ 7,706,249	£ 5,648,435	£ 5,428,580	£ 5,239,218	£ 5,419,452	£ 5,490,044
VAT @ 20%	£ 1,541,250	£ 1,129,687	£ 1,085,716	£ 1,047,844	£ 1,083,890	£ 1,098,009
TOTAL CONSTRUCTION COSTS	£ 9,247,499	£ 6,778,122	£ 6,514,296	£ 6,287,062	£ 6,503,342	£ 6,588,053
PROPERTY COSTS						
Site Acquisition Costs (Excl. Agents/Legal Fees)	£ -	6.39 Acres £ 639,000	6.32 Acres £ 632,000	5.93 Acres £ 593,000	3.97 Acres £ 397,000	£ -
Estimated Capital Receipt (Excl. Agents/Legal Fees)	£ -	£ -	£ -	£ -	£ -	£ -
Temporary Accommodation/Migration Costs	£ 100,000					
SUB-TOTAL OF PROPERTY COSTS	£ 100,000	£ 639,000	£ 632,000	£ 593,000	£ 397,000	£ -
VAT @ 20%	£ 20,000	£ 127,800	£ 126,400	£ 118,600	£ 79,400	£ -
TOTAL PROPERTY COSTS	£ 120,000	£ 766,800	£ 758,400	£ 711,600	£ 476,400	£ -
TOTAL DEVELOPMENT COSTS	£ 9,367,499	£ 7,544,922	£ 7,272,696	£ 6,998,662	£ 6,979,742	£ 6,588,053
RANKING	6	5	4	2	3	1

FEASIBILITY COST BREAKDOWN

SFRS WEST ARC AND HUB RELOCATION

COMMENTS/CLARIFICATIONS

1. All budget costs are based on the Keppie Design Site Appraisals Report (ARC Only) dated October 2017
2. No allowance included for abnormal ground conditions within budget costs.
3. No capital receipt assumed as Hamilton site cannot be disposed with SDA and fire station remaining in position.
4. None of the budget costs allow for any works required on the Hamilton site to either demolish existing facilities, or alter/redevelop the SDA facilities.
5. Detailed surveys will be required of both existing buildings to assess existing fabric/structure. Budget costs include allowances for repairs and modifications but these must be considered indicative at this stage. No allowance made for life cycle costs associated with ongoing repairs.

SITE OPTIONS FEASIBILITY COSTS	EXISTING BUILDING OPTION 1 8 Grayshill Road Cumbernauld	EXISTING BDG OPTION 9 6 Grayshill Road Cumbernauld
CONSTRUCTION COSTS	TOTALS	TOTALS
Total Indicative Construction Costs	£ 3,135,677	£ 3,851,368
Total Stage 1 Costs	£ 75,112	£ 81,985
Total Stage 2 Costs	£ 129,348	£ 148,599
Other Costs/Fees	£ 10,166	£ 12,486
SUB-TOTAL OF CONSTRUCTION COSTS	£ 3,350,303	£ 4,094,438
VAT @ 20%	£ 670,061	£ 818,888
TOTAL CONSTRUCTION COSTS	£ 4,020,363	£ 4,913,325
PROPERTY COSTS		
Site Acquisition Costs (Excl. Agents/Legal Fees)	£ 1,300,000	£ 2,482,000
Estimated Capital Receipt (Excl. Agents/Legal Fees)		
Temporary Accommodation/Migration Costs		
SUB-TOTAL OF PROPERTY COSTS	£ 1,300,000	£ 2,482,000
VAT @ 20%	£ 260,000	£ 496,400
TOTAL PROPERTY COSTS	£ 1,560,000	£ 2,978,400
TOTAL DEVELOPMENT COSTS	£ 5,580,363	£ 7,891,725
RANKING	1	2

APPENDIX 5

C&W STANDARD TERMS AND CONDITIONS

1. Client Engagement

- 1.1 The Client appoints C&W to provide services on these Terms of Business and the terms set out in the Engagement Letter. Each Engagement Letter forms a discrete contract incorporating the latest version of these Terms of Business that have been provided to the Client (together an/the "**Engagement**").
- 1.2 The entire scope of the services to be provided as part of an Engagement ("**Services**") is set out in the Engagement Letter. Nothing shall bind C&W to perform any role or function other than as is documented in the Engagement Letter.
- 1.3 The Client shall provide all necessary co-operation to enable each member of the C&W Group to discharge its obligations in respect of all Applicable Laws, particularly those pertaining to 'know your client', anti-money laundering and the prevention of other financial crimes, and data protection.
- 1.4 C&W may sometimes require input from third parties to perform all or part of the Services. Where C&W intends to subcontract to a third party, C&W will seek the Client's consent before so subcontracting. The Client consents to the use of other members of the C&W Group and C&W Affiliates to provide all or part of the Services, and no further notification need be given in relation to such use. Except where C&W contracts third parties directly (otherwise than as the Client's agent), C&W shall not be responsible for supervising or monitoring the performance of third parties.

2. Definitions and Interpretation

- 2.1 In an Engagement the following terms shall have the following meanings:

"**Applicable Law**" means all applicable laws, regulations, regulatory requirements and codes of practice of any relevant jurisdiction, as amended and in force from time to time;

"**C&W**" means the member of the C&W Group that is a party to the Engagement Letter;

"**C&W Affiliate**" means a third party licenced by a member of the C&W Group to trade using the Cushman & Wakefield brand;

"**C&W Group**" means DTZ Worldwide Limited (company number 9073572) and any of its subsidiaries (within the meaning of section 1159 of the Companies Act 2006);

"**C&W Materials**" means all those materials owned by C&W and its licensors, and all Intellectual Property Rights owned by C&W and its licensors, whether before or after the date of the Engagement, but excluding the Service Materials;

"**Client**" means the addressee(s) of the Engagement Letter and excludes any third party who pays or may be responsible for paying any part of the Fees;

"**Client Materials**" means all those materials owned by the Client and its licensors, and all Intellectual Property Rights owned by the Client and its licensors, but excluding the Service Materials;

"**Document**" means any research, data or report provided by C&W as part of the Services;

"**Engagement Letter**" means the letter issued by C&W to the Client and identified as the engagement letter, which shall set out particular Services to be provided by C&W together with other terms and conditions that shall form part of the Engagement. Where the context permits, documents cross referenced and/or attached to the Engagement Letter shall form part of it;

"**Fees**" means the amounts specified as payable in the Engagement Letter, or otherwise calculated in accordance with the Engagement Letter;

"**Intellectual Property Rights**" means patents, trade marks, design rights, applications for any of the foregoing, copyright, database rights, trade or business names, domain names, website addresses, whether registrable or otherwise, (including applications for and the right to apply for registration of any such rights), know how, methodologies, and any similar rights in any country whether currently existing or created in the future, in each case for their full term, together with any renewals or extensions;

"**Relief Event**" means:

- (a) any delay or failure by the Client or a person acting on its behalf to perform any obligation of the Client under an Engagement;
- (b) the failure of any assumption set out in the Engagement Letter; and
- (c) any other event specified in the Engagement Letter;

"**RICS**" means the Royal Institution of Chartered Surveyors;

"**Services**" means the services to be provided to the Client by C&W as part of the Engagement, as specified in the Engagement Letter;

"**Service Materials**" means all those works, and all Intellectual Property Rights in works, that are created, provided, or which arise exclusively in the course of the provision of the Services to the Client;

"**Terms of Business**" means the terms set out in this document; and

"**Value Added Tax**" means value added tax as provided for in the Value Added Taxes Act 1994 and subordinated legislation made under it, or any similar sales or turnover tax in any jurisdiction.

- 2.2 Unless the context otherwise requires or the contrary intention appears, any reference to an enactment includes that enactment as amended or replaced, together with any subordinate legislation made under that or any other applicable enactment; and any reference to an English legal term includes, in respect of any jurisdiction other than England, a reference to what most nearly approximates in that jurisdiction to the English legal term.

- 2.3 Other than for notices to be given, references to "written" or "in writing" include e-mail. The words "including" and "in particular" and any similar words or expressions are by way of illustration and emphasis only and do not operate to limit the generality or extent of any other words or expressions. The words "subsidiary" and "holding company" have the meanings given in Section 1159 of the Companies Act 2006 (and Clause 2.2 shall not apply in relation to this sentence). The headings in these Terms of Business are for convenience only and do not affect their interpretation.

3. Fees, Expenses and Payments

Fees

- 3.1 In consideration of the provision of the Services, the Client shall pay the Fees. The Fees, or the method of calculating them, shall be as set out in the Engagement Letter.
- 3.2 Fees stated shall be exclusive of Value Added Tax which, where applicable, shall be charged to the Client at the prevailing rate. The Client agrees to pay to C&W any Value Added Tax in relation to the provision of the Services

provided that C&W has supplied a valid tax invoice as required by Applicable Law.

Expenses

3.3 The Client shall reimburse all out of pocket expenses and disbursements properly incurred by or on behalf of C&W in the performance of the Services ("**Expenses**") up to five hundred pounds (£500) per quarter. Before incurring any Expenses that would result in that limit being exceeded, C&W shall seek the Client's consent, in which case those further Expenses shall also be payable. Expenses may be invoiced at the same time as the Fees, or quarterly in arrears, at C&W's discretion.

3.4 The Client shall reimburse all marketing costs which shall, where relevant, be handled as follows:

(a) C&W will inform the Client of any marketing costs proposed to be incurred on its behalf. C&W will provide cost estimates for any initial marketing campaign in the Engagement Letter, and further proposals if additional marketing is required.

(b) Cost estimates will be best estimates or based on actual quotations from suppliers. Final costs may differ from estimates provided. Advertising and printing rates provided will be from the publishers' rate cards current at the date of the marketing proposals. The Client shall pay any additional sum charged by the suppliers for the correction of mistakes in artwork or other advertising material not caused by the suppliers. The individual printer or supplier's terms will apply to all Client work placed with it. All costs are gross and C&W will retain the usual trade discounts offered by newspapers, periodicals or other media suppliers.

(c) The Client shall instruct all suppliers directly. In the event that C&W agrees to instruct any such supplier, C&W may require advance payment of anticipated costs to be incurred on the Client's behalf. Where the sum paid on account exceeds the actual costs incurred, such excess shall be repaid to the Client without interest once all invoices and accounts have been finalised and settled. Where the marketing costs exceed the sum paid, the Client shall pay the amount of any difference to C&W immediately on request.

(d) The Client shall reimburse all marketing costs incurred on its behalf as and when the costs are incurred, irrespective of completion of the transaction to which the Services relate.

Payment

3.5 C&W's invoices are payable from the date of each invoice, and are due for payment within fourteen (14) days. C&W may charge the Client interest on any amounts due but which have not been paid within this period (whether before or after judgment) at three percent (3%) per annum above the Bank of England base rate from time to time. Interest shall run from the date of the invoice until all outstanding sums have been paid in full in cleared funds.

3.6 The Client shall pay all sums by electronic bank transfer to the C&W bank account detailed in an invoice. C&W is unable to accept payment by cash or cheque.

3.7 The Client shall pay all sums payable to C&W in relation to the Engagement without set-off and free of any deduction.

3.8 If the Client is required by Applicable Law to make any deduction from any payment then it shall increase such

payment to ensure that C&W receives the same amount as it would have received if no deduction were required.

3.9 C&W may require payments to be made on account before commencing or completing all or part of the Services. In specifying on-account payments C&W may have regard to the nature and context of Services to be performed, and the likely timing and amounts of Expenses to be incurred.

3.10 C&W may, by giving written notice to the Client, suspend Service provision if any sum is not paid to C&W within the period specified in Clause 3.5, until all outstanding sums have been paid in full in cleared funds.

3.11 After completing an Engagement, C&W shall be entitled to keep any Client materials held by it while sums payable to it by the Client remain outstanding.

3.12 C&W may search the Client's record at credit reference agencies for the purposes of verifying the Client's identity and to assess whether the Client is able to fulfil its payment obligations in relation to the Engagement.

Client Monies

3.13 C&W handles client monies in accordance with RICS rules and regulations.

4. Client Obligations

4.1 The Client shall, as soon as reasonably practicable following a request, provide all information, assistance, approvals, and consents reasonably requested by C&W in relation to the performance of C&W's obligations in connection with the Engagement. The Client shall ensure that all information provided by or on behalf of the Client shall be complete and accurate in all material respects, and notify C&W as soon as reasonably possible on becoming aware that any information is incomplete, inaccurate or misleading.

4.2 The Client acknowledges that C&W:

(a) is entitled to rely upon the completeness, accuracy, sufficiency and consistency of any information supplied to it by or on behalf of the Client; and

(b) shall have no liability for any inaccuracies contained in any information provided by or on behalf of the Client unless otherwise stated.

4.3 All estimations made by C&W are based on depth and quality of information provided by the Client and the Client shall not be entitled to assume that C&W has performed an inspection. The Client must take this into account in relation to all figures, calculations, and advice.

4.4 The Client shall check and confirm the accuracy and completeness of any property particulars prepared by C&W, and shall confirm that they are not misleading. The Client undertakes to notify C&W immediately if any particulars are or become inaccurate or incomplete.

5. Measurements

5.1 Where C&W is required to measure a property, it will do so in accordance with applicable measuring practices relevant to the property. If the Client requires C&W to adopt a particular measuring practice, it shall specify the same in writing before work starts. The Client acknowledges that the floor areas contained in any Document are approximate and if measured by C&W will be within a two percent (2%) tolerance either way. In cases where the configuration of the floor plate is unusually irregular or obstructed, this tolerance may be exceeded.

5.2 C&W is unable to measure areas to which it does not have access, in which cases floor area may be estimated from

plans or by extrapolation. Where land or site areas are measured, all areas will be approximate and will be measured from plans supplied or Ordnance Survey plans, rather than being checked on site.

6. Confidentiality

6.1 The Client consents to C&W announcing that it is providing or has provided the Services to the Client and using the Client's name in publicity. However, C&W shall not publish any details of any proposed or actual transaction (other than those which are publicly available) without prior consent, such consent not to be unreasonably withheld or delayed.

6.2 The Client shall keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement):

- (a) any information received by it in respect of the methodologies and/or technologies used by C&W in providing the Services;
- (b) the details of the terms on which C&W provides the Services; and
- (c) any other information in respect of C&W's business activities which is not publicly available.

6.3 C&W shall, during the period commencing on the date of the Engagement and ending two (2) years following the earlier of the termination or completion of the Services, keep confidential and not disclose to any other person (whether before or after termination or expiry of the Engagement) any information in respect of the Client's business activities which comes into its possession as a consequence of C&W providing the Services and which is not publicly available.

6.4 A party shall not breach this Clause 6 by disclosing information, to the extent reasonably necessary:

- (a) where required to do so by Applicable Law or order of the courts, or by any securities exchange or regulatory or governmental body to which such party is subject or submits, wherever situated (whether or not the requirement for information has the force of Applicable Law); or
- (b) to the professional advisers, insurers, auditors and bankers of such party.

6.5 C&W shall not breach this Clause 6 by disclosing information to members of the C&W Group or C&W Affiliates in connection with the Engagement.

7. Data Protection and Data Handling

Data Protection

7.1 The Client appoints C&W as data processor in relation to personal data which C&W receives under or in connection with the performance of each Engagement and in respect of which the Client is a data controller.

7.2 In processing personal data pursuant to an Engagement, C&W shall:

- (a) unless otherwise requested by the Client, process personal data only to the extent, and in such manner, as is necessary for the provision of the Services;
- (b) ensure that appropriate technical and organisational measures shall be taken against unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data;

(c) not disclose or transfer personal data to any person other than where strictly necessary for the provision of the Services;

(d) only cause or permit personal data to be transferred:

- (i) to members of the C&W Group and C&W Affiliates;
- (ii) to sub-contractors in accordance with Clause 1.4;
- (iii) to suppliers or sub-contractors appointed by a member of the C&W Group to support C&W's business administration and infrastructure; or
- (iv) to other sub-processors with the Client's prior consent (not to be unreasonably withheld or delayed),

and in all cases, only cause or permit personal data to be transferred outside the European Economic Area:

- (A) with the Client's prior consent (not to be unreasonably withheld or delayed); and
- (B) where the recipient benefits from a finding of adequacy of protection for personal data transferred from the European Union under article 25(6) of EU Directive 95/46/EC or has otherwise agreed European Union standard contractual clauses on data processing in countries outside the European Economic Area; and

(e) notify the Client without undue delay on becoming aware of a breach of data security which would be notifiable under applicable data protection law.

7.3 Where the Client is a public authority for the purposes of the Freedom of Information Act 2000 ("FOIA") as amended from time to time, the Client shall notify C&W of that fact at the start of the Engagement. The Client shall notify C&W within five (5) business days of receiving a request pursuant to the FOIA requesting information which relates to the business arrangements between C&W and the Client and/or any information C&W has provided to the Client at any time (whether or not in connection with the Engagement). In recognition of the fact that C&W may be providing the Client with confidential or commercially sensitive information, the Client agrees to consult with C&W and take into account C&W's views on all such requests, giving C&W reasonable notice to respond, before making any decision on whether any particular information should be disclosed.

7.4 The Client shall be responsible for C&W's reasonable and properly incurred charges in producing any documentation which the Client requires in order to comply with a request for disclosure under the FOIA. For the avoidance of doubt, the Client, not C&W, shall liaise with such third party.

Data Handling

7.5 The Client shall use all reasonable procedures to seek to ensure that any materials provided to C&W in any electronic format are virus free, and shall be responsible for using appropriate firewalls and anti-virus software.

7.6 The Client authorises C&W to communicate with any person C&W reasonably requires in providing the Services. C&W may release to such person any information reasonably necessary to perform the Services and which it has obtained during the Engagement. C&W shall not be liable for any use made of that information.

- 7.7 C&W keeps its Engagement files for six (6) years after issue of C&W's final invoice. The Client consents to the deletion and destruction of all Engagement files upon the expiry of that period unless the Client has requested in writing the return of Client papers or documents during that period. C&W shall not be liable for any loss arising out of the destruction of documents occurring more than six (6) years after the date of final invoice.
- 8. Documents and Reliance**
- 8.1 C&W will take reasonable care in the preparation of any Document. Any opinions expressed in a Document constitute C&W's judgement, and data upon which this judgement is based are believed to be correct as at the date of the Documents (but may be subject to change during the life of the project and beyond and as new information becomes available). C&W reserves the right to change the underlying data, and its opinions, without prior notice in the light of revised market opinion and evidence, but shall not be required to update any Document already provided.
- 8.2 Subject to Clause 8.3, the provision of the Services is for the Client's benefit only and no part of any Document or advice produced by C&W for the Client shall be reproduced, transmitted, copied or disclosed to any third party without the prior written consent of C&W. C&W shall not be liable to any third party placing reliance upon any such Document or advice.
- 8.3 The Client may permit other persons to use C&W's Documents only with C&W's written consent and where such other persons have entered into a written agreement with C&W in relation to such use ("**Reliance Letter**"). C&W expressly disclaims any tortious duty of care (e.g., in negligence) to any third party in relation to any Document or advice provided in connection with an Engagement, and the Client shall not permit any person to rely upon such Document or advice unless that person has first entered into a Reliance Letter. Any limitation on C&W's liability set out in these Terms of Business or the Engagement Letter shall apply in aggregate to the Client and any party entering into a Reliance Letter.
- 8.4 Where the Client provides a copy of a Document to another person, or permits a person to rely upon a Document, the Client indemnifies and holds harmless C&W from and against any liability arising out of that person's use or reliance on that Document except where a Reliance Letter has been entered into by such person.
- 8.5 Where the Client acts on behalf of a syndicate or in relation to a securitisation, the Client agrees that it is not entitled to pursue any greater claim on behalf of any other person than it would have been entitled to pursue on its own behalf had there been no syndication or securitisation.
- 9. Service Quality**
- 9.1 In carrying out the Services, C&W shall exercise the reasonable care and skill to be generally expected of a competent provider of services similar in scope, nature and complexity to the Services.
- 9.2 In the event that the Client is dissatisfied with the provision of the Services by C&W it must refer such complaint in the first instance to the C&W representative named in the Engagement Letter in accordance with the provisions of C&W's complaints procedure current at the time of the complaint. C&W shall supply to the Client a copy of the complaints procedure upon the request of the Client.
- 9.3 No implied terms shall apply under and/or in connection with the Engagement, and no other express warranties are given - all such terms are expressly excluded to the extent permitted by Applicable Law.
- 9.4 C&W is certified as ISO9001:2008, ISO14001, and OHSAS18001 compliant.
- 10. Conflicts of Interest and Anti-Corruption**
- 10.1 C&W maintains conflict management procedures designed to govern actual or potential conflicts of interest. If the Client becomes aware of a possible conflict, it shall inform C&W immediately. If a conflict arises, then C&W will decide, taking account of legal constraints, relevant regulatory rules and the clients' interests and wishes, whether it can continue to act for both parties (e.g., through the use of ethical walls), for one only, or for neither. Where C&W does not believe that any potential or actual conflict can be managed appropriately and in accordance with C&W policy (available upon request), it will inform all clients affected and consult with them as soon as reasonably practicable as to the steps to take.
- 10.2 The Client acknowledges that C&W may earn commissions and referral fees, and may charge handling fees connected to the services that it performs, and agrees that C&W shall be entitled to retain them without specific disclosure. C&W will not accept any commissions or referral fees in circumstances where it is of the reasonable belief that they would compromise the independence of any advice that it provides.
- 10.3 It is not C&W policy to provide any services for financial gain either directly or through connected persons, to a prospective purchaser or tenant in respect of a property for which C&W is instructed as agents by the seller/owner, until unconditional contracts have been exchanged. C&W will notify the Client if it is instructed by a prospective purchaser or tenant to provide such services where the Client is the seller/owner.
- 10.4 C&W and the Client each confirms that it will not, and will procure that its employees will not, knowingly engage in any activity which would constitute a breach of applicable Anti-Bribery & Corruption Laws. C&W confirms that it has in place a compliance and training programme designed to ensure compliance with the terms of applicable Anti-Bribery & Corruption Laws.
- 10.5 For the purposes of this Clause 10, "**Anti-Bribery & Corruption Laws**" means the Bribery Act 2010, the US Foreign Corrupt Practices Act 1977 and any other applicable legislation prohibiting bribery and corruption involving public or private persons.
- 11. Liability and Insurance**
- 11.1 Notwithstanding any contrary provision, neither party limits or excludes its liability in respect of:
- any death or personal injury caused by its negligence;
 - any fraud or fraudulent misrepresentation; or
 - any statutory or other liability which cannot be limited or excluded under Applicable Law.
- 11.2 C&W shall not be liable for any:
- indirect or consequential loss (even where the parties are aware of the possibility of any such loss at the date of the Engagement);
 - loss of profits or revenue of the Client generally;
 - loss of goodwill, reputation or opportunity;
 - loss of or corruption of data, or loss resulting from the Client's receipt of information, data, or

- communications supplied or sent by C&W electronically;
- (e) pure economic loss suffered by the Client or persons other than the Client, arising out of a tortious duty of care (e.g., in negligence) or otherwise;
- (f) acts or omissions of third parties (other than where contracted directly by C&W otherwise than as the Client's agent); or
- (g) delay caused by its duty to comply with legal and regulatory requirements (such as anti-money laundering checks),
- in each case arising out of or in connection with an Engagement or any breach or non-performance of it no matter how fundamental (including by reason of negligence or breach of statutory duty). The parties agree that each of sub-clauses (a) to (g) (inclusive) above are separate terms and are intended to be severable.
- 11.3 C&W's total aggregate liability arising under or in connection with an Engagement or any breach or non-performance no matter how fundamental (including by reason of negligence or breach of statutory duty) in contract, delict or otherwise shall be limited in all circumstances to an amount equal to the lesser of:
- (a) five (5) times the Fees paid or payable by or on behalf of the Client to C&W in relation to the Engagement; or
- (b) two million pounds sterling (£2,000,000).
- 11.4 Subject always to Clauses 11.2 and 11.3, where an Engagement involves C&W being appointed as part of a project team, liability for loss and/or damage arising under or in connection with the Engagement shall be limited to that proportion of the Client's loss and/or damage which it would be just and equitable to require C&W to pay having regard to the extent of C&W's responsibility for the same and on the basis that:
- (a) all other Client consultants and contractors shall be deemed to have provided contractual undertakings, on terms no less onerous than those set out in the Engagement, to the Client in respect of the performance of their services in connection with the project;
- (b) there are no exclusions of or limitation of liability nor joint insurance or co-insurance provisions between the Client and any other party referred to above; and
- (c) they shall be deemed to have paid to the Client such proportion which would be just and equitable for them to pay having regard to the extent of their responsibility.
- 11.5 No actions or proceedings arising under or in respect of the Engagement or documents signed in connection with it shall be commenced against C&W after six (6) years after the date of the final invoice in relation to the Engagement.
- 11.6 C&W shall effect and maintain, during the Engagement and for a period of six (6) years after issue of C&W's final invoice, professional indemnity insurance with a limit of indemnity of £10million provided always that such insurance remains available at commercially reasonable rates, together with such other insurance as is required to be maintained in accordance with Applicable Law.
- 11.7 Further to Clause 1.2, nothing appoints or obliges C&W to act as an External Valuer as defined under the Alternative Investment Fund Managers Directive ("AIFMD") legislation, or its equivalent under local law. C&W expressly disclaims any responsibility or obligations under AIFMD and/or its equivalent unless expressly agreed in writing by C&W. Where C&W provides valuation advice to an entity that falls within the scope of AIFMD ("Fund"), its role will be limited solely to providing valuations of property assets held by the Fund. Responsibility for the valuation function for the Fund and the setting of the net asset value of the Fund will remain with others. C&W's Document will be addressed to the Fund for internal purposes and third parties may not rely on it. C&W's aggregate liability howsoever arising out of such instruction is limited in accordance with these Terms of Business.
- 11.8 C&W shall not be responsible for the management of any property the subject of an Engagement, and shall have no other responsibility (such as for maintenance or repair) in relation to nor shall C&W be liable for any damage occurring to any such property.
- 12. Termination**
- 12.1 Either party may terminate the Engagement at any time on not less than thirty (30) days written notice, for convenience without cause.
- 12.2 Either party may terminate the Engagement at any time on written notice, either immediately or following such notice period as it shall see fit if the other party:
- (a) is in material breach of the Engagement, and such breach is irremediable;
- (b) commits any remediable material breach of the Engagement and fails to remedy such breach within a period of thirty (30) days from the service on it of a notice specifying the material breach and requiring it to be remedied (or, having so remedied, subsequently commits a similar breach within the next thirty (30) days); or
- (c) ceases or threatens to cease to carry on business, is found unable to pay its debts within the meaning of the Insolvency Act 1986 section 123, has an administrator, receiver, administrative receiver or manager appointed over the whole or any part of its assets, enters any composition with creditors generally, or has an order made or resolution passed for it to be wound up (otherwise than in furtherance of any scheme for solvent amalgamation or solvent reconstruction) or undergoes any similar or equivalent process in any jurisdiction.
- 12.3 C&W may terminate the Engagement immediately upon written notice if the Client has failed to pay an invoice within thirty (30) days of the date of such invoice.
- 12.4 On termination of the Engagement, the Client shall pay to C&W:
- (a) Fees for the Services it has performed (on a pro rata basis having regard to the Fees payable for the completion of the Engagement, the expected duration of the entire Engagement and the Services performed prior to termination, unless otherwise specified);
- (b) any Expenses properly incurred in accordance with Clause 3.3, and marketing costs incurred in accordance with Clause 3.4, on or before the effective date of the termination; and
- (c) where the right is exercised by the Client, any additional sums set out in the Engagement Letter as being payable upon termination.

- 12.5 If a party, acting in good faith, exercises a right of termination, its subsequent failure or refusal to perform all or any of its current or future obligations in connection with an Engagement shall not be a breach of an Engagement (whether repudiatory or otherwise).
- 13. Intellectual Property**
- 13.1 All Service Materials shall vest in the Client on creation. C&W hereby assigns the Service Materials to the Client together with the right to sue for and recover damages or other relief in respect of the infringement of any Service Materials by a third party. In relation to future copyright, this shall take effect as a present assignment of future rights.
- 13.2 The Client grants to C&W a worldwide, fully paid-up, non-exclusive, transferable (to a member of the C&W Group) licence to use, copy and modify the Client Materials and Service Materials to the extent necessary and for the purpose of providing the Services to the Client and performing its other obligations in relation to an Engagement.
- 13.3 C&W and its licensors shall retain all right, title and interest in and to the C&W Materials. The Client and its licensors shall retain all right, title and interest in and to the Client Materials.
- 14. Non-Solicitation**
- 14.1 Neither party shall (except with the other party's prior written consent) directly or indirectly solicit or entice away (or attempt to solicit or entice away) from the employment of the other, any employee or contractor working on an Engagement, and shall not offer employment to any employee working on an Engagement, for a period of six (6) months following the end of any involvement by that person with an Engagement. This shall not prohibit a party from offering employment to an employee or contractor of the other who has responded to an advertising campaign open to all comers and not specifically targeted at any of its employees or contractors.
- 14.2 In the event that a party breaches Clause 14.1, the other party shall be entitled to be paid compensation of six (6) months' salary or fees of the employee or contractor concerned. The parties agree that this is a genuine pre-estimate of loss taking into account the cost of recruitment and training of staff, and is agreed on a commercial basis between the parties.
- 15. Notices**
- 15.1 Any notice or other information to be given by either party to the other under the terms of an Engagement shall be given by:
- (a) delivering it by hand; or
 - (b) sending it by pre-paid registered post,
- to the other party at the address given in Clause 15.3.
- 15.2 Any notice or information sent by post in the manner provided by Clause 15.1(b) which is not returned to the sender as undelivered shall be deemed to have been given on the second day after it was so posted; and proof that the notice or information was properly addressed, pre-paid, registered and posted, and that it has not been returned to the sender, shall be sufficient evidence that the notice or information has been duly given.
- 15.3 The address of either party for service for the purposes of this Clause 15 (but excluding legal proceedings) shall be that of its registered or principal office, or such other address as it may last have notified to the other party in writing from time to time. Notices to C&W must be addressed to EMEA General Counsel to be valid.
- 16. No Waiver, Partnership or Joint Venture**
- 16.1 No waiver of any right in connection with an Engagement (including rights to sue for breach) shall operate or be construed as a waiver of any other or further right whether of a like or different character, or be effective unless in writing duly executed by an authorised representative of the affected party. The failure to insist upon the performance of the terms, conditions and provisions of the Engagement, or time or other indulgence granted by one party to another, shall not act as a waiver of any breach, as acceptance of any variation, or as the relinquishment of any right in connection with the Engagement, which shall remain in full force and effect.
- 16.2 Each right or remedy of a party to an Engagement is without prejudice to any other right or remedy of that party.
- 16.3 The Engagement shall not be interpreted or construed to create an association, joint venture or partnership between the parties, or to impose any partnership obligation or liability upon either party.
- 17. Force Majeure and Relief**
- 17.1 If either party is prevented or hindered from performing any of its obligations in connection with an Engagement by reason of circumstances outside its reasonable control, that party ("**Claiming Party**") shall as soon as reasonably possible serve notice in writing on the other party specifying the nature and extent of the circumstances preventing or hindering it from performing its obligations.
- 17.2 Subject to the Claiming Party serving notice in accordance with Clause 17.1, the Claiming Party shall have no liability in respect of any delay in performance or any non-performance of any such obligation (save for any payment obligation which shall continue in full force and effect), and the time for performance shall be extended accordingly to the extent that the delay or non-performance is due to such circumstances.
- 17.3 The Client agrees that C&W shall be excused from its failure to perform or delay in performing any affected obligation in connection with the Engagement to the extent that such failure results from a Relief Event. C&W shall be entitled to a reasonable extension of time in relation to any affected obligation, and to recover reasonable additional costs incurred by it, as a result of a Relief Event.
- 18. Illegality/Severance**
- If any provision is declared by any competent court or body to be illegal, invalid or unenforceable under the law of any jurisdiction, or if any enactment is passed that renders any provision illegal, invalid or unenforceable under the law of any jurisdiction, this shall not affect or impair the legality, validity or enforceability of the remaining provisions relating to an Engagement, nor the legality, validity or enforceability of such provision under the law of any other jurisdiction.
- 19. Assignment and Novation**
- 19.1 Neither party may at any time, without the prior written consent of the other party, assign all or any part of its rights and/or obligations relating to an Engagement. Notwithstanding the previous sentence, C&W may assign/novate (as applicable) all or any part of its rights and/or obligations in connection with an Engagement to any other member of the C&W Group, without the Client's prior written consent.
- 19.2 Each Engagement shall inure to the benefit of, and be binding upon, the parties' successors and permitted assignees.

20. Further Assurance

Each party shall at all times from the date of the Engagement Letter, on being required to do so, at its own expense do or use reasonable endeavours to procure the doing by any necessary third parties of all such acts as may be required to give full effect to the terms of the Engagement including the execution and delivery of all deeds and documents.

21. Governing Law and Dispute Resolution

- 21.1 In the event of a dispute arising out of or connection with an Engagement, a party contemplating instigating legal proceedings shall notify the other party of that fact not less than fourteen (14) days before issuing such proceedings. Either party may, upon receipt of notice or otherwise, apply to the President or the Vice President, for the time being, of the Chartered Institute of Arbitrators, for the appointment of a single arbitrator, for final resolution. The arbitration shall be governed by both the Arbitration (Scotland) Act 2010 and the Rules of Controlled-Cost Arbitration of the Chartered Institute of Arbitrators (2014 Edition), or any amendments thereof, which Rules are deemed to be incorporated by reference into this clause. The seat of the arbitration shall be England.
- 21.2 Clause 21.1 shall not prohibit a party from applying to the court, and shall not require such party to serve notice prior to applying, for interim injunctive relief.
- 21.3 Each Engagement and any dispute or claim arising out of or in connection with it or its subject matter or formation (including non-contractual disputes or claims) are governed by and shall be construed in accordance with Scots law. The parties submit to the non-exclusive jurisdiction of the Scottish courts for all purposes relating to and in connection with each Engagement and any such dispute or claim.

22. Third Party Rights

- 22.1 To the extent that any loss, damage or expense is suffered or incurred by a member of the C&W Group, the parties agree that such loss, damage or expense shall be deemed to be the loss, damage or expense of C&W, and such loss shall be fully recoverable from the Client as if the loss, damage or expense was suffered or incurred by C&W directly.
- 22.2 Provided that Clause 22.1 remains valid and in full force and effect, no term of the Engagement is intended for the benefit of a third party and the parties do not intend that any term of the Engagement shall be enforceable by a third party. If Clause 22.1 for any reason is or becomes illegal, invalid or unenforceable, then the rights under each Engagement shall be enforceable by any member of the C&W Group.

23. Entire Agreement

- 23.1 The Engagement constitutes the entire agreement and understanding between the parties relating to the transactions contemplated by or in connection with it and the other matters referred to in the Engagement and supersedes and extinguishes any other agreement or understanding (written or oral) between the parties or any of them relating to the same.
- 23.2 Each party acknowledges and agrees that it does not rely on, and shall have no remedy in respect of, any promise, assurance, statement, warranty, undertaking or representation made (whether innocently or negligently) by any other party or any other person except as expressly set out in the Engagement. The Client's sole remedy in relation to any act or omission of C&W relating to or in connection with the Engagement shall be for breach of contract.

24. Miscellaneous Terms

- 24.1 Each party warrants and represents that it has power to enter into the Engagement and that it has obtained all necessary consents and/or approvals to do so.
- 24.2 The Client agrees that C&W shall be entitled to rely upon instructions given by any employee or other representative of the Client, and any person holding themselves out as having the authority to give such instructions.
- 24.3 Where the Client comprises two or more persons their liability in relation to the Engagement shall be joint and several.
- 24.4 Clauses 1, 2, 3, 4.2, 4.3, 6, 7, 8, 9.3, 10.4, 10.5, 11, 12.4, 12.5, 13 to 16 (inclusive), 18 and 20 to 24 (inclusive) of these Terms of Business shall survive termination of the Engagement.
- 24.5 The Client agrees and acknowledges that the Engagement is between the Client and C&W, and that the Client shall have no right to make any claim against any member (partner), director, employee, agent, or contractor of C&W, any other member of the C&W Group or any C&W Affiliate.
- 24.6 In accordance with the Provision of Services Regulations 2009, C&W is required to make available certain information to Clients which can be found [here](#).
- 24.7 In accordance with Section 54, Part 6 of the Modern Slavery Act 2015, details of the measures C&W has taken to ensure that slavery and human trafficking is not taking place in its supply chains or in any part of its business can be found [here](#).

Cushman & Wakefield Terms of Business (Scotland)
(Version 1.01 – April 2017)



SCOTTISH
FIRE AND RESCUE SERVICE
Working together for a safer Scotland

West Area Asset Resource Centre (ARC) Business Case

March 2018

Final



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Introduction

Scottish Fire & Rescue Service (SFRS) is the fourth largest fire and rescue service in the world and is committed to ensuring the safety and wellbeing of the people of Scotland. This encompasses several different services including preventing and controlling fires, responding to road traffic incidents, rope rescue, water rescue and responding to and dealing with hazardous material and flooding issues.

SFRS is a national organisation delivering front line services locally from three strategically positioned hubs based in the North, West and East of Scotland. Asset Resource Centres (ARC) are key facilities within these hubs, providing workshop accommodation for the servicing of fleet and emergency vehicles, equipment testing and maintenance, storage plus other functions including ICT and administrative office activities. These facilities represent a key part of the built infrastructure needed to ensure that SFRS is able to continue to provide a fit-for-purpose service to meet its front line operational requirements.

Ensuring that ARC facilities in each region are fit-for-purpose in terms of locality, accessibility to the road network and accommodation available is key. The ongoing cost of providing these facilities is also an important consideration, particularly given budgetary pressures and the competing demands on funding. These facilities need to demonstrate that they represent good value for money in minimising their financial liability and encouraging efficiencies to support the SFRS's operational requirements and key objectives.

ARC associated facilities within the western service area are currently split between two sites at Bothwell Road, Hamilton and Cowcaddens, which are legacy sites that also comprise a range of other functions including both operational fire stations and administrative facilities. These are increasingly seen as falling below expectations in terms of operational suitability and condition, but also as a result of these facilities being located on separate sites. The existing buildings are also reaching the end of their physical life and risk becoming obsolete unless considerable capital expenditure is undertaken.



Existing Workshop Building, Cowcaddens

Cushman & Wakefield was commissioned by SFRS in 2017 to undertake an options appraisal considering a range of scenarios focused on the consolidation of SFRS's Asset Resource Centre (ARC) facilities for the western hub region. This work has focused on identifying solutions that could provide facilities on a single site that are both fit-for-purpose and demonstrate value for money in meeting SFRS's long term operational requirements. This business case represents the culmination of this work in presenting a detailed financial and qualitative assessment of the short-listed site options, taking into account both the capital investment needed and the anticipated lifecycle and running costs associated with each option over the next 30 years.

Efficiencies are expected to be realised if the ARC facilities are accommodated on a single site resulting in a smaller space footprint, lower running costs along with operational synergies from having all ARC accommodation located under the same roof and the potential to release existing accommodation for other uses or possible disposal.

A space planning exercise was carried out by Keppie Design in 2017, which mapped out the ARC space requirements in a 'site neutral model'. This was then used to inform specific site feasibility work on a range of site options identified by Cushman & Wakefield. This earlier work considered site layout and configuration, accessibility and development costs. These costs have been incorporated as part of the discounted cash flows undertaken to inform this business case.

This Business Case is intended to provide a clear recommendation as to the option that is considered to provide the best overall solution for satisfying SFRS's future Asset Resource Centre requirements.



Existing storage area at Bothwell Road, Hamilton

1. Project Background & Context

1.1. Strategic Drivers

As a result of the Police and Fire Reform (Scotland) Act 2012, the existing eight Fire and Rescue Services in Scotland were merged to form the Scottish Fire and Rescue Service in 2013. The Scottish Fire and Rescue Service (SFRS) is a body corporate established in terms of Schedule 1A of the Fire (Scotland) Act 2005 as amended by the Police and Fire Reform (Scotland) Act 2012.

The 2016 – 2019 SFRS Strategic Plan sets out the SFRS commitment to improving community safety, response and resilience, whilst addressing inequality and enhancing the wellbeing of the people of Scotland. The Strategic Plan identifies that the cost base, since the creation of the SFRS, has reduced by £54.4m. The way in which the SFRS resources and assets are used are directed by the objectives outlined in the Strategic Plan, with the details on specific strategic actions presented annually in the annual operation plan.

The SFRS's Property Estate – Strategic Intent Document (27 June 2013) outlines the planned property portfolio rationalisation programme which sets out the aim to achieve an operationally efficient and affordable support estate. **The proposals for the new West Area ARC facility fall within this programme.**

The proposed rationalisation and investment strategy has been estimated to deliver c£18m in capital receipts from disposals and requires c£17.5m of investment in new properties, refurbishments and backlog maintenance.

The overall objective throughout has been a desire to rationalise the estate, deliver savings in recurrent budget and generate surplus property disposal income whilst maintaining the current levels of service.

1.2. Summary of Previous Work

A report was commissioned by SFRS in June 2017 to set out the options to collocate the west Asset Resource Centre (ARC) and west Service Delivery Area (SDA), currently located at the Cowcaddens and Hamilton sites. The report concluded that the cost of collocation exceeded the available budget.

A second report undertaken by Cushman & Wakefield and Keppie Design was then commissioned, which proposed the relocation of the ARC facilities to a new site or within an existing building, whilst the existing SDA facilities were to be retained at Hamilton. This was completed in October 2017 and five of the short-listed options have been taken forward into this business case. These all involve the development of new purpose built ARC facilities.



Main entrance and reception, Bothwell Road, Hamilton

2. Operational Requirements

2.1. ARC Summary

The ARC provides accommodation for the maintenance of fleet and emergency vehicles including mechanical workshops, associated stores and ICT areas. SFRS has a fleet of 1,500 light and heavy goods vehicles and are required to test over 650,000 items of operational equipment. This work is undertaken in the ARC facilities and it is desired that these facilities are located under 'one roof' in order to create a 'one-stop-shop' to minimise costs and improve efficiencies. (Source: SFRS Strategic Intent Business Case, August 2014)

The SFRS Strategic Intent Business Case, August 2014, outlined the general requirements of an ARC facility which include:

- Suitable facilities in the right location to enable routine and unplanned servicing, maintenance and repair of the SFRS fleet and equipment.
- Access to road networks to enable the maximum possible number of assets to be reached from their base locations within 60 minutes
- Maximise the efficiency and reduce operating costs and on-going financial liability to the service
- Operational efficiencies delivered through the collocation of resources and specialised skilled staff.
- Ensuring that the service provides equitable access to highly trained and professional staff for asset support and maintenance functions.

The key requirements of the West Service Area ARC in scope include:

- Excellent access to Scotland's road network and public transportation
- Serve the western province of Scotland including the west coast Local Authorities, Dumfries, Galloway, Argyll and Bute.

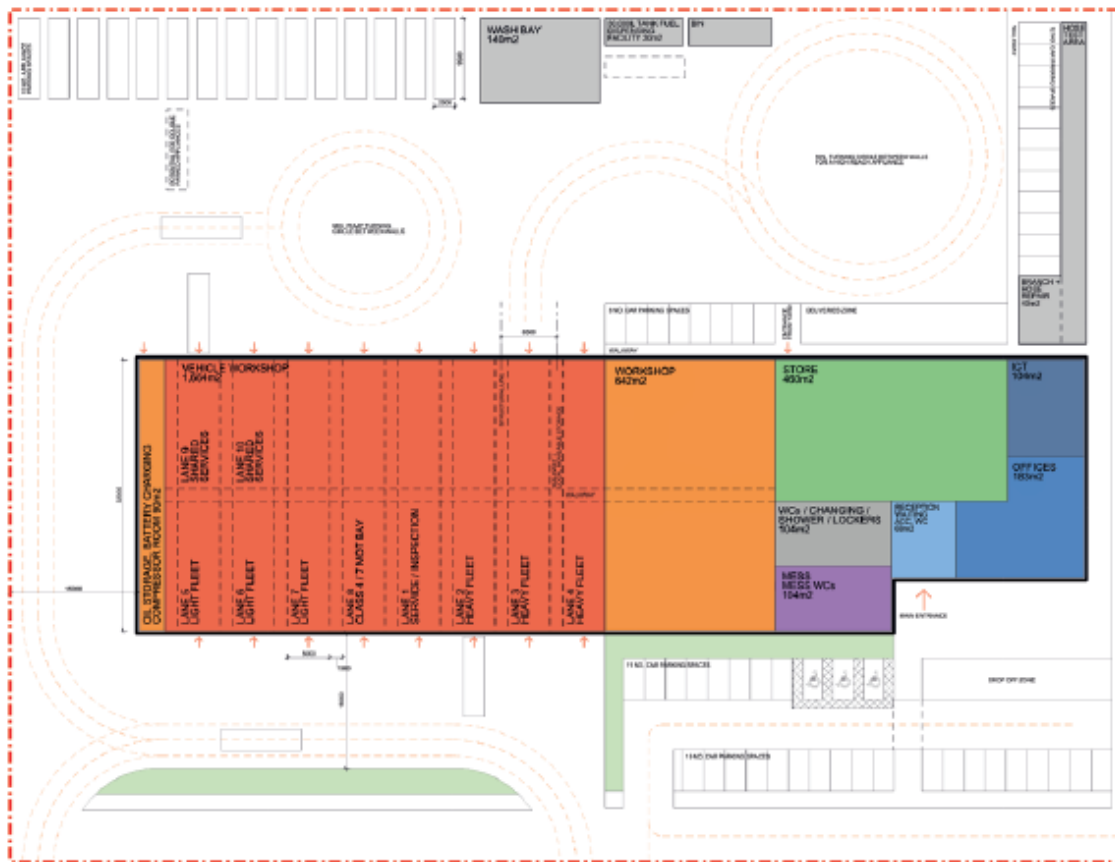
2.2. The 'Site Neutral' Requirement Model

A 'site neutral' model was developed by Keppie Design as part of the Report completed in October 2017 to illustrate the required spatial relationships between the components of the new West Service Area ARC, including workshops, yard facilities and the size of the site required to accommodate the new facilities.

The requirements are set out below:

- Site area of 1.32 ha (3.26 acres)
- Total accommodation of 3,615 sq m
- 50 car parking spaces
- Associated yard areas including a wash bay, 30,000L tank fuel dispenser, bin storage, hose test area, branch and hose repair area and a minimum of 15 emergency vehicle parking spaces.

Overleaf is an indicative layout showing all of the areas included within the West Service Area ARC requirement. This layout has been taken from the October 2017 report. It should be noted that the ICT area requirement has subsequently increased from 104 m² to 300m². This has been reflected in the discounted cash flow option appraisals carried out to support this business case, but the indicative layouts are still based on the lower area for this element.



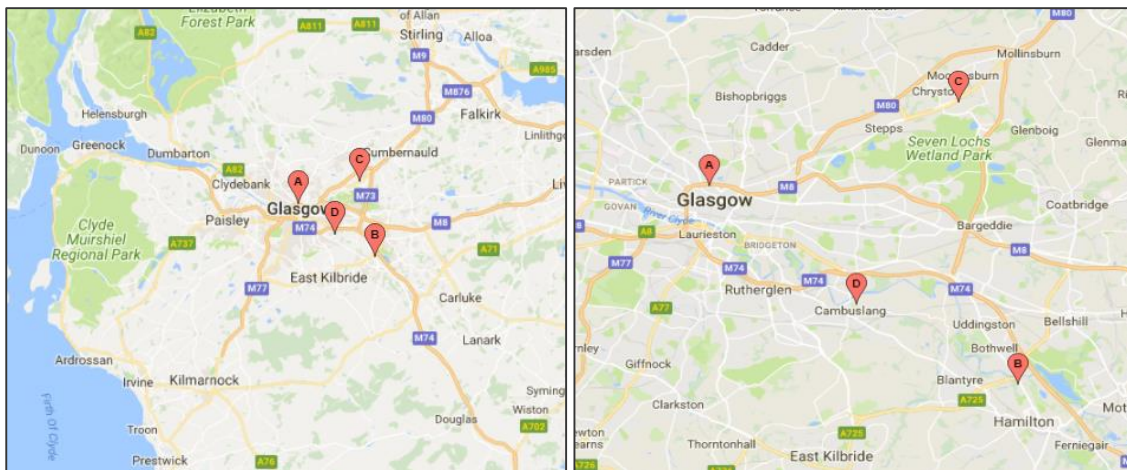
Source: Options Appraisal Report October 2017

The floor area breakdown:

Area	Sq M
Vehicle Workshop	1,664
Workshop	642
Store	460
ICT	300
Offices	183
Reception	68
WCs/Changing Room/Showers	104
Mess/WCS	104
Oil Storage, Battery Charging Compression Room	90
TOTAL	3,615

3. Short-Listed Site Options

Based on the conclusions from the Cushman & Wakefield and Keppie Design report dated October 2017, the options taken forward into this business case include the redevelopment of Hamilton to incorporate a new build at the rear of the site based on the 'site neutral' plan along with new build options adjacent to the existing Cambuslang HQ campus and three open market options at Gartcosh Business Interchange. The site locations are shown on the maps below.



A - Cowcaddens associated ARC elements

B - Hamilton associated ARC elements

C - Gartcosh Business Interchange – Plots 1A West, 1A East & Site 3

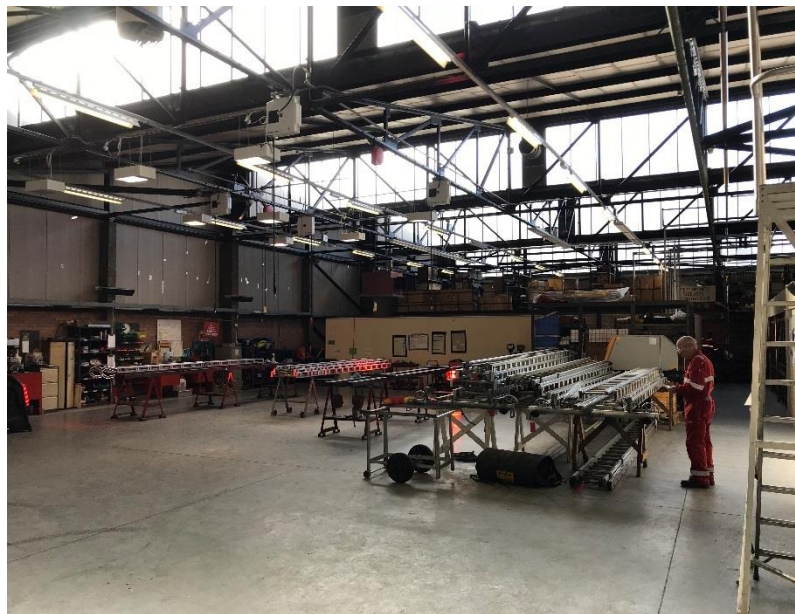
D - Cambuslang HQ

In Addition to these options, a scenario involving the refurbishment of existing ARC related facilities at Hamilton and Cowcaddens has been included for reference. Whilst this option is not considered to be an acceptable solution in terms of the likely disruption involved, the compromised nature of the refurbished facilities (when compared to new build) and operational issues around perpetuating a split-site solution, it is nevertheless useful to understand what level of cost would be involved if ARC facilities were to remain as currently provided. This scenario has been included purely as a benchmark against which to compare the single-site options involving purpose built ARC accommodation.

3.1. Refurbishment of Existing Facilities at Hamilton & Cowcaddens

The current ARC provision is split across the two existing sites, which reflects an inefficient provision of services. This is a legacy of the Police and Fire Reform (Scotland) Act 2012 in which all of the eight previous fire services merged into the newly created SFRS. Consequently, a piecemeal property provision has emerged.

In order to maximise cost and operational efficiencies, for future planning purposes it is considered important that all ARC facilities are housed under 'one roof' and provide one location for the routine and unplanned servicing, maintenance and repair of the extensive fleet of light and heavy goods vehicles within SFRS. By combining the ARC facilities under one roof there is the consequential reduction in the running costs from two sites to one, potential freeing up of one or both sites for disposal or for other uses within SFRS.



Existing equipment maintenance workshop, Cowcaddens

The existing buildings are becoming physically obsolete and require extensive investment to bring them up to modern-day standards. This investment does not satisfy the requirements of merging the services into a single facility and is therefore is not deemed to be a viable option.

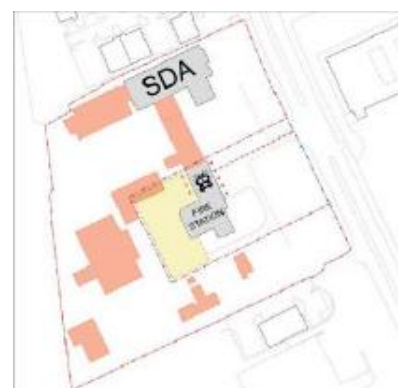
3.2. New Build ARC at Bothwell Road, Hamilton

The site at Hamilton extends to 5.9 acres (2.4 hectares) and comprises the established SDA for the west, a fire station, associated training facilities and stores. The site benefits from good connectivity to the M74 J5 via the A725, the M73 and the M8. Glasgow is situated to the north-west and can be reached within a circa 30 minute drive.

The surrounding area comprises mature and protected woodland to the west of the site, modern commercial (Class 4) office development to the north and a mix of Class 4 and 5 industrial development situated on land to the south. Hamilton Racecourse is located directly opposite the site to the east across Bothwell Road.

The site has a single point of access from Bothwell Road, a dual carriage way, which provides restrictive access for emergency vehicles from the north due to no traffic lights or right of way currently present.

The current site layout is shown below:



Source: Options Appraisal Report October 2017

There are several challenges with achieving the site neutral model layout on this site as a consequence of accommodating the new facilities around the existing accommodation. The headline challenges include:

- The dimension of the site cannot accommodate the site neutral model layout. As the site neutral model has been designed to be as efficient as possible in terms of occupation and build costs, the proposals for the Hamilton site will be less efficient.
- The proposal is to retain some of the existing buildings to accommodate the existing SDA. From initial site assessment, the proposals have been drawn on logical building splits to mitigate temporary works where possible. No allowance has been made for modifications to the existing building and this will require to be tested in detail to assess whether this will meet SFRS' requirements.
- The proposals demonstrate shared yard facilities between existing and those proposed to serve the ARC, which will require careful consideration from an operational perspective.

Potential risks include:

- The single point of access/egress into the site affords limited segregation of appliance staff vehicles and blue light traffic. A second point of access into the site may not be acceptable to the Local Authority and alternative access points may not be deliverable legally due to third party ownership. Segregation of construction traffic would also be challenging during a redevelopment programme.
- The USAR building is likely to require demolition to accommodate a reconfigured Hamilton site accommodating the new ARC facility. Similarly the positioning of the existing training tower may also present challenges around accommodating future development.
- The ARC facility demands a relatively high clear zone to steelwork to accommodate the maintenance of fire tenders. The alternative of constructing service pits is a further technical challenge as this requires breaking out of the existing building slabs and the use of pits is not the preferred approach for health & safety reasons
- A large yard is required for both storage and turning of fire tenders external to the building
- The site is physically constrained which prevents further expansion
- The proposed ARC facility will be positioned to the rear of the existing premises and this element of the site is irregularly proportioned and sloping. For SFRS infrastructure, gradients should not exceed 1 in 12 for areas of hard standing. It is likely that there would be inadequate space for a yard, dual access to vehicle workshops and appliance turning without sharing the fire station yard.
- The increase in accommodation on the site would also necessitate a potential upgrade to the existing site infrastructure to reflect the increase in site capacity and usage.
- The redevelopment of the site whilst it remains operational remains a significant challenge.

3.3. Cambuslang National HQ, Westburn Drive

The site comprises 1.63 hectares (4.03 acres) and is already within SFRS ownership with the National Headquarter Facilities being situated adjacent to the available site. The site is of irregular shape and is situated to the eastern corner of the plot.

The site neutral model fits onto the proposed site.



Potential risks include:

- Remediation works have been carried out on the site so related risks have been reduced.
- It is not anticipated that there will be any statutory compliance issues.
- An element of the site, highlighted in yellow on the plan above, falls into the flood risk of 1 in 200. Whilst this does not impact directly on the site, the proposals for the site neutral plan must align with the flood strategy prepared for the overall site.



View of the Cambuslang site (facing east)

3.4. New Build Options at Gartcosh Business Interchange

Gartcosh Business Interchange is a 50-hectare strategic business location situated off a dedicated link (junction 2a) of the M73 motorway. The site has excellent links to the M74, M8 and M80. The land forms part of the former Gartcosh Steelworks. Most of the land has already been remediated and serviced through Economic Development Agency Scottish Enterprise.

Maryville Interchange is approximately 4 km distance away and the Gartcosh Park and Ride Railway Station is location 0.6 km from the three plots in scope (c8 minute walk) which is on the Glasgow Queen Street – Falkirk line. This line provides regular train services every 20/30 minutes with travel times between 19-27 minutes.

Gartcosh 310 bus service (Moodiesburn – Shettleston) provides regular bus services to Glasgow City Centre. Travel times range from 18-27 minutes.

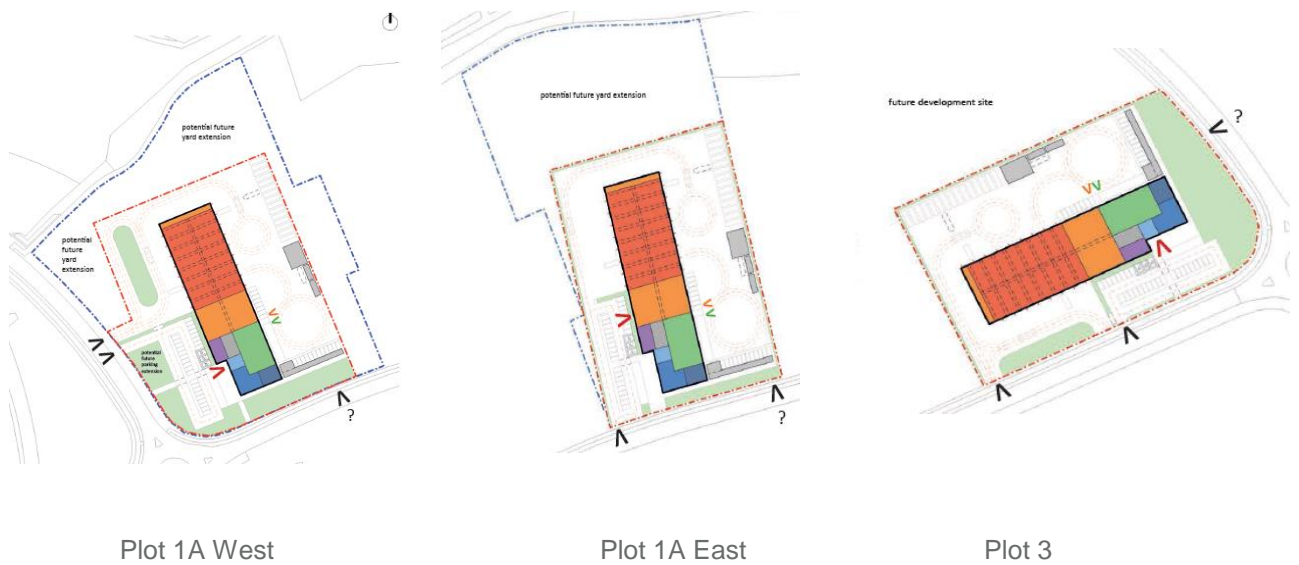
City Deal investment has proposed an improved road link between Gartcosh Business Interchange, the rail halt and the community of Glenboig.

The site values were investigated in the Cushman & Wakefield and Keppie Design report October 2017. Scottish Enterprise provided the quoting price per acre, as of October 2017, of £125,000. This was confirmed to be a headline price but there were limited comparable transactions from within the Gartcosh Business Interchange at the time of investigation. It was concluded in the report that a headline rate of £100,000 per acre subject to deductions for any abnormalities would appear to be an appropriate level to start discussions.

The site neutral model fits across all the three available sites. The excess site areas are demonstrated in the table below.



Plot	Site Area (Acres)	Excess Site Area (Acres)
1A West	6.32	2.33
1A East	5.93	2.42
3	3.97	0



Potential risks include:

- There is a presence of Great Crested Newts on the wider site. Those areas are now dedicated to nature conservation. This risk has been mitigated due to a 2m wide metal walkaway and a concrete barrier which has been installed around the perimeter of the Nature Reserve to prevent the migration of Great Crested Newts to the development sites. Ecological advice must be sought to understand the potential implications for the supplication of planning applications.
- Contamination and shallow mine workings are also issues that would need to be addressed for any of the three site options at Gartcosh.
- Excess land across Plots 1A West and 1A East reduces the costs efficiencies due to the higher site acquisition costs to buy the respective plots.



View of Plot 1A, Gartcosh (facing west)

4. DCF (Financial) Option Appraisals

4.1. General Assumptions

The assumptions applied to all the options include:

- 30-year appraisal period commencing 1 April 2018
- Discount rate of 3.50% (in line with Green Book guidance)
- VAT has been excluded
- No account has been made for capital values of the assets at the end of the modelling period

4.2. Lifecycle Costs

The lifecycle costs for the site neutral new build options have been based on the following assumptions:

Cost	Assumption
Utilities	Based upon the current utility costs paid at the Hamilton site due to the similar nature of the space provided of £19.68 per sq m. p.a. Regard was had to the BCIS costings but due to the specialist nature of the some of the facilities within the ARC, it was agreed to rely on the existing utility costs paid at Hamilton.
Cleaning	Based upon BCIS Q2 2018 costs for a 'warehouse' building of £6 per sq m. p.a.
Grounds	Based on the pro-rata costs of the grounds costs at Hamilton against the total site area for each option.
Insurance	Based against the existing insurance costs paid at Hamilton.
Reactive Maintenance	Based on an assumption of £5 per sq m p.a. against the site neutral floor area. This has been applied to all of the options.
Planned Maintenance	Based against the average BCIS Q2 2018 planned maintenance costs over the 30 year modelling period of £11.04 per sq m. p.a. This has been applied to all options.
Rateable Values	Assumed a market rent of £75.35 per sq m (£7 per sq ft) p.a. multiplied by the current rate in the pound of 46.6p. In relation to the refurbished facilities at Hamilton and Cowcaddens, an additional 10% has been applied to the existing rates paid to reflect the refurbishment works.

4.3. Refurbish Existing Facilities at Hamilton & Cowcaddens

- Running costs for the existing facilities at Cowcaddens and Hamilton have been provided by SFRS and reflect the current costings against the buildings in scope at the two sites.
- In order to reflect the two facilities reaching obsolescence, an assumption has been made that in order to bring the properties up to 'modern' standards an initial capital expenditure would be required. A rate of £1,012 per sq m GIA has therefore been applied to these areas

in the model and has been reflected as a capital cost in 2019. This rate is based on BCIS Q2 2018 mean average of refurbishment costs for warehouse properties.

- Similarly, planned and reactive maintenance expenditure assumptions have been made in line with BCIS benchmark levels post refurbishment instead of being based on historical actual levels of maintenance expenditure. This reflects the fact that the extensive capital works required to refurbish these buildings should mean that the associated maintenance costs would be significantly less than cost of maintaining the buildings in their existing condition without refurbishment.
- A temporary decant allowance of £50,000 per site has been included to cover the costs associated with relocating functions temporarily to an alternative site / location whilst the refurbishment works are undertaken. This figure is considered to be relatively modest given the potential costs involved, particularly if temporary warehouse accommodation is rented over this period. It is unclear what temporary decant solution would be pursued if this scenario was seriously considered.
- As highlighted previously in this report, this option is not considered to be a viable or operationally acceptable solution for a number of reasons, but has been included for comparison purposes only.

4.4. New Build Options

- Due to the site neutral model suiting all of the new build options, the assumptions remain consistent throughout the model.
- Variances arise due to the different site acreage of the three plots at Gartcosh which require different initial site acquisition costs. In order to buy the land at Gartcosh a rate of £125,000 per acre, reflecting the asking price, has been assumed for the purposes of this exercise. This reflects the asking price and whilst this is likely to be negotiable, for the purposes of the model we have taken a cautious approach and based the acquisition costs on the asking price per acre.
- The construction costs for each option have been taken from the Cushman & Wakefield and Keppie Design Report October 2017. It is worth noting the following:
 - No allowance has been made for abnormal ground conditions
 - No capital receipts have been assumed
 - Site purchase costs at Gartcosh are based on initial dialogue with the landowners and the areas utilised are based on the blue boundary line within the Keppie Design report.
- For the purposes of the modelling, the capital costs of Stage 1, Stage 2, the site acquisition costs and other costs/fees have been costed into 2018.
- The construction costs have been applied in 2019, along with the temporary accommodation costs which are applicable to the redevelopment of the Hamilton new build option as well as the existing refurbishment option.
- The revenue costs associated with the lifecycle spend commence from 2020 until the end of the cash flows in 2047.

4.5. Financial Inputs Summary

Option	Refurbishment of Existing Facilities		1	11	16	17	18
Site Name	Cowcaddens associated ARC elements	Hamilton associated ARC elements	Bothwell Road, Hamilton redevelopment	Gartcosh Site 1A West	Gartcosh Site 1A East	Gartcosh Site 3	Cambuslang
Site Area (acres)		5.90	5.90	6.32	5.93	3.97	4.03
Site Value / acre	SFRS own	SFRS own	SFRS own	£125,000	£125,000	£125,000	SFRS own
Total Site Value	£0	£0	£0	£790,000	£741,250	£496,250	£0
Total Requirement / m2 GIA	2376.73	1477.08	3615.00	3615.00	3615.00	3615.00	3615.00
Utilities Total	£77,040	£29,063	£71,143	£71,143	£71,143	£71,143	£71,143
Cost per sq m	£32.41	£19.68	£19.68	£19.68	£19.68	£19.68	£19.68
Cleaning Total	£28,778	£13,772	£22,398	£22,398	£22,398	£22,398	£22,398
Cost per sq m	£12.11	£9.32	£6.20	£6.20	£6.20	£6.20	£6.20
Grounds Total	£2,502	£3,581	£3,581	£3,835	£3,599	£2,409	£2,446
Cost per sq m	£1.05	£2.42	£0.99	£1.06	£1.00	£0.67	£0.68
Insurance Total	£6,125	£5,523	£5,523	£5,523	£5,523	£5,523	£5,523
Cost per sq m	£2.58	£3.74	£1.53	£1.53	£1.53	£1.53	£1.53
Reactive Maintenance	£11,884	£7,385	£18,075	£18,075	£18,075	£18,075	£18,075
Planned Maintenance Total	£26,229	£16,301	£41,196	£41,196	£41,196	£41,196	£41,196
Sub Total	£38,113	£23,686	£59,271	£59,271	£59,271	£59,271	£59,271
Cost per sq m	£16.04	£16.04	£16.40	£16.40	£16.40	£16.40	£16.40
Rateable Value			£272,380	£272,380	£272,380	£272,380	£272,380
Non-Domestic Rates			0.466	0.466	0.466	0.466	0.466
Business Rates (existing)	£105,168	£43,891					
Cost per sq m	£44.25	£29.71					
Business Rates (proposed)	£115,685	£48,280	£126,929	£126,929	£126,929	£126,929	£126,929
Cost per sq m	£48.67	£32.69	£35.11	£35.11	£35.11	£35.11	£35.11
Construction Costs			£7,314,961	£5,127,393	£4,945,522	£5,118,626	£5,186,426
Total Stage 1 Costs			£117,798	£96,028	£94,218	£95,940	£96,615
Total Stage 2 Costs			£248,914	£187,933	£182,863	£187,689	£189,579
Other costs/fees	£2,405,251	£1,494,805	£24,576	£17,226	£16,615	£17,197	£17,425
Total Construction Costs			£7,706,249	£5,428,580	£5,239,218	£5,419,452	£5,490,045
Site Acquisition Costs			£0	£632,000	£593,000	£397,000	£0
Temporary Accommodation/Migration Costs			£100,000	£0	£0	£0	£0
Total Property Costs			£100,000	£632,000	£593,000	£397,000	£0
Total Development Costs	£2,455,251	£1,544,805	£7,806,249	£6,060,580	£5,832,218	£5,816,452	£5,490,045
Cost per sq m	£1,033.04	£1,045.85	£2,159.40	£1,676.51	£1,613.34	£1,608.98	£1,518.68
Total	£2,723,494	£1,668,709	£8,093,084	£6,347,670	£6,119,071	£6,102,116	£5,775,745
Cost/m2 GIA	£1,140	£1,140	£2,239	£1,756	£1,693	£1,688	£1,598

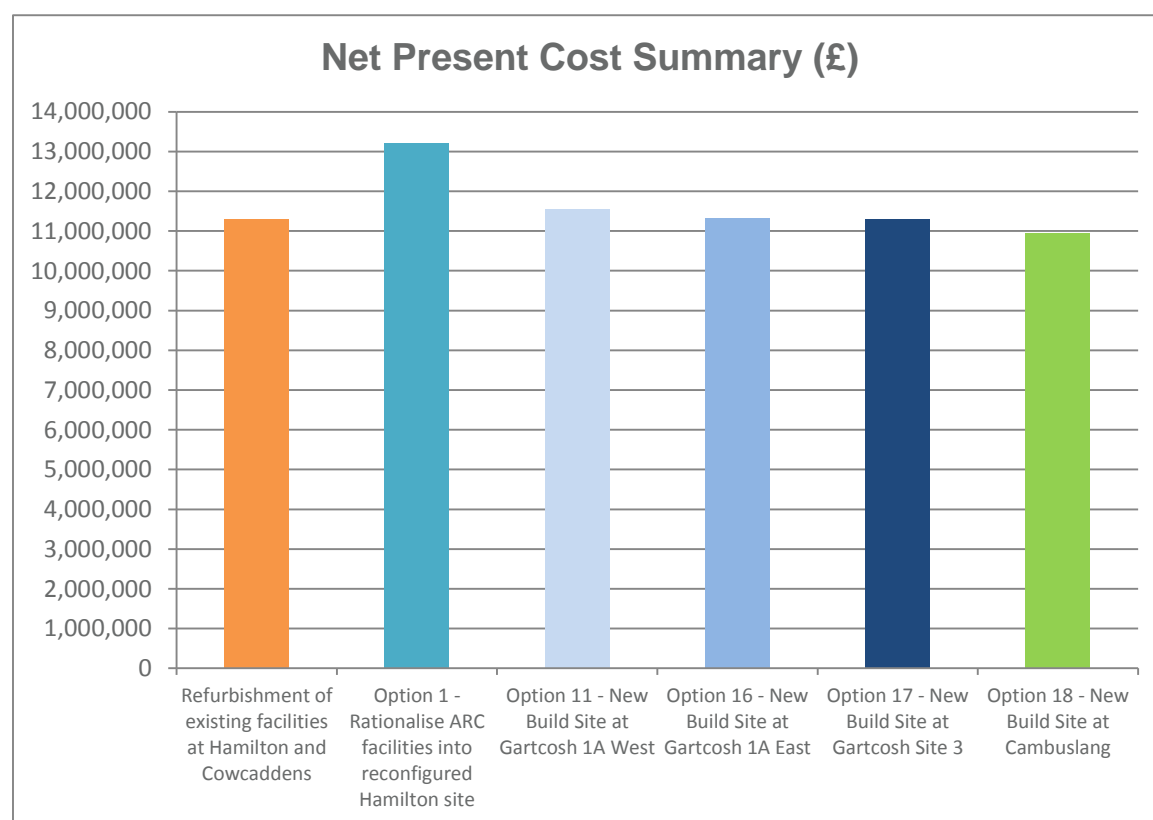
5. Economic Appraisal

This Business Case has considered a range of strategic options through which SFRS could re-provide the current ARC facilities. Options have been appraised financially in terms of their whole life cycle costs where each option has been evaluated over a 30-year timeframe and discounted at 3.5% in line with HM Treasury Green Book guidance to arrive at a Net Present Cost (NPC) for each.

The NPC allows the respective costs of the options to be assessed in present day values and thus allowing a direct comparison to be made between options.

Based on the cost assumptions outlined in Section 4, the respective NPC for the six options considered as part of this business case can be summarised as follows:

Option	NPC (£)	Ranking
Refurbishment of existing facilities at Hamilton and Cowcaddens	11,300,302	3
Option 1 - Rationalise ARC facilities into reconfigured Hamilton site	13,212,006	6
Option 11 - New Build Site at Gartcosh 1A West	11,548,045	5
Option 16 - New Build Site at Gartcosh 1A East	11,321,794	4
Option 17 - New Build Site at Gartcosh Site 3	11,279,870	2
Option 18 - New Build Site at Cambuslang	10,951,792	1



It is not surprising that the new build options involve a similar Net Present Cost in the range £11.0m to £11.5m over the 30 year appraisal term on the basis that these all effectively involve the same facilities being developed that will have comparable running and lifecycle costs. The key difference relates to the site acquisition costs, where the Cambuslang option is at an advantage given that this is already owned by SFRS. The new build option at Hamilton is more costly due to the site constraints involved and the need for decant accommodation, which is not required under the other new build options.

6. Qualitative Assessment of Options

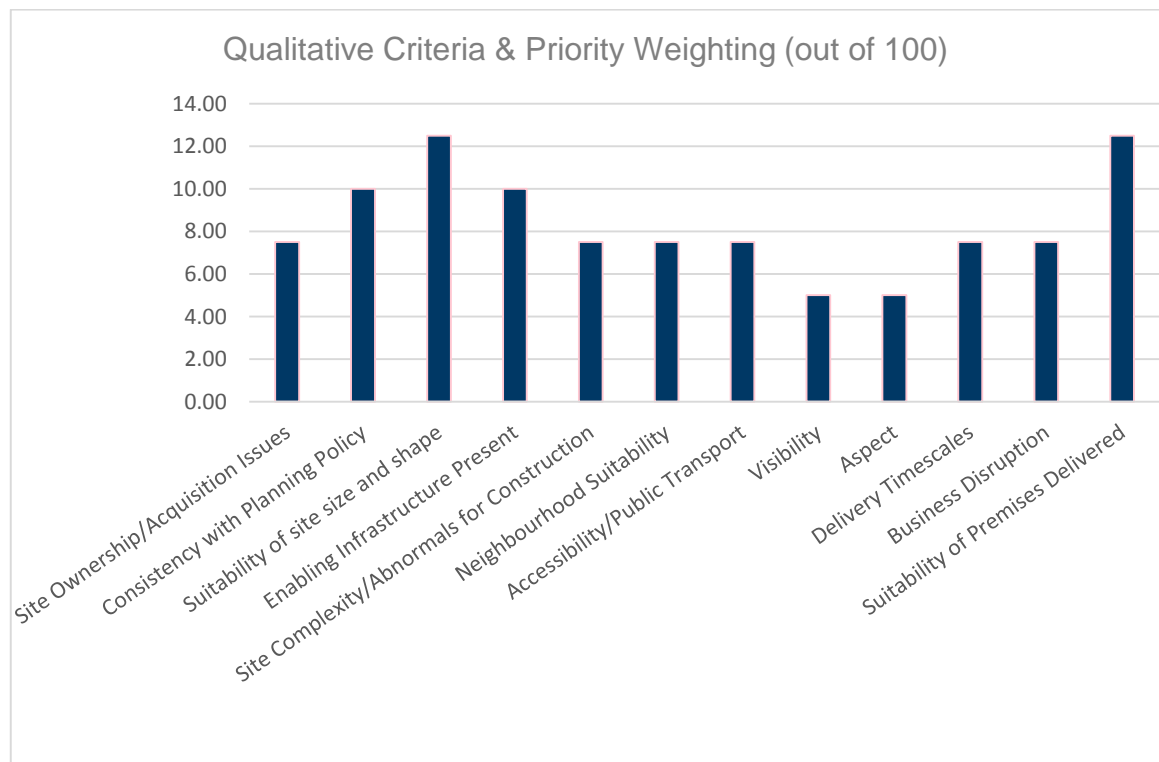
6.1. Qualitative Criteria

The qualitative criteria have been drawn from the Cushman & Wakefield and Keppie Design Report October 2017. SFRS undertook a qualitative assessment of the short-listed options based on these criteria at a round table meeting on 1 June 2017. This involved scoring the in-scope options against the agreed criteria as set out below:

- Site Ownership/ Acquisition issues
- Consistency with Planning Policy
- Suitability of site size and shape
- Enabling infrastructure present
- Site complexity/abnormals for construction
- Neighbourhood suitability
- Accessibility/ public transport
- Visibility
- Aspect
- Delivery Timescales
- Business Disruption

It should be noted that each of the criteria noted above were considered in terms of their importance to SFRS and a weighting has been allocated to each accordingly.

Each of the sites were assessed from 1 – 10.

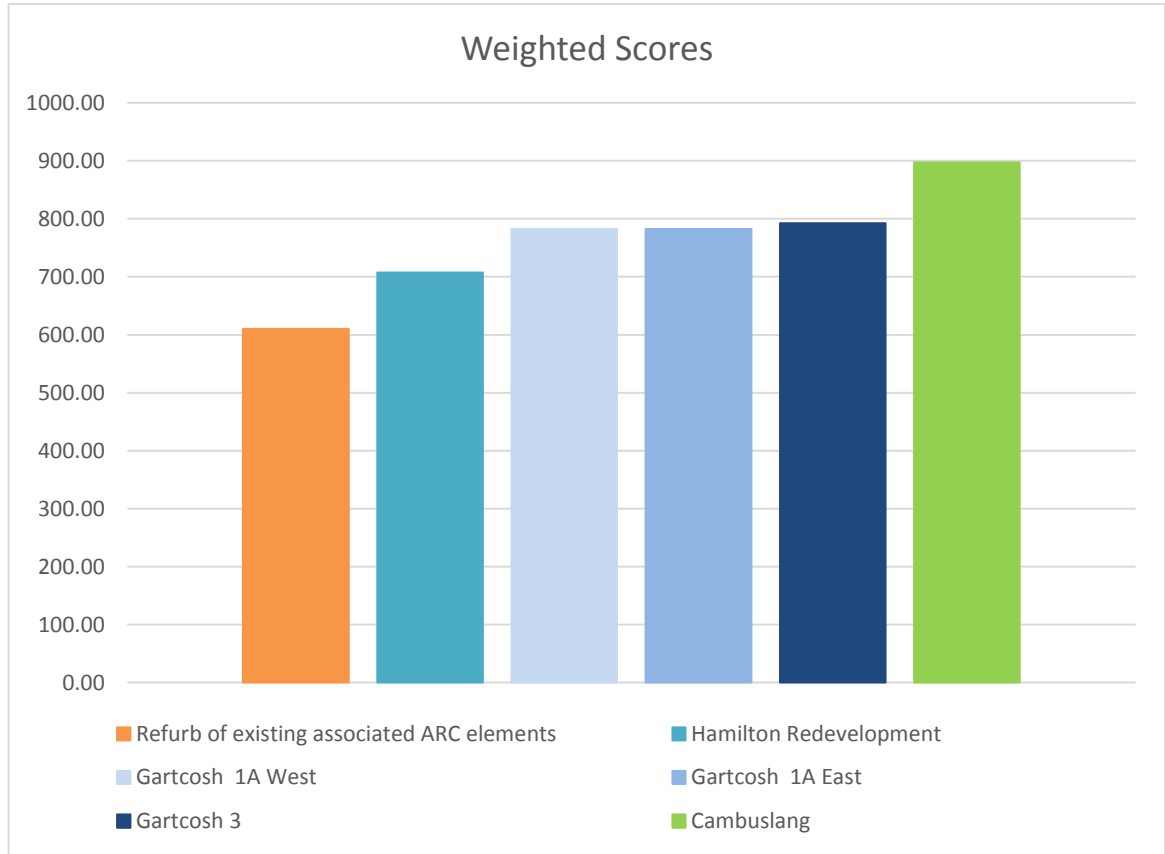


6.2. Qualitative Weighting

Below is a summary of the unweighted and weighted scores that have been applied to each of the options.

Scoring excluding Weighting (out of 120)					
Refurb of existing associated ARC elements	Hamilton Redevelopment	Gartcosh 1A West	Gartcosh 1A East	Gartcosh 3	Cambuslang
10.00	10.00	7.00	7.00	7.00	10.00
10.00	10.00	8.00	8.00	8.00	10.00
3.00	5.00	8.00	8.00	9.00	9.00
10.00	5.00	5.00	5.00	5.00	8.00
5.00	4.00	7.00	7.00	6.00	8.00
8.00	10.00	10.00	10.00	10.00	10.00
8.00	8.00	7.00	7.00	7.00	8.00
4.00	9.00	6.00	6.00	7.00	6.00
4.00	7.00	6.00	6.00	6.00	6.00
8.00	6.00	8.00	8.00	8.00	10.00
2.00	4.00	10.00	10.00	10.00	10.00
2.00	8.00	10.00	10.00	10.00	10.00
74.00	86.00	92.00	92.00	93.00	105.00
Scoring including Weighting (out of 100)					
Refurb of existing associated ARC elements	Hamilton Redevelopment	Gartcosh 1A West	Gartcosh 1A East	Gartcosh 3	Cambuslang
7.50	7.50	5.25	5.25	5.25	7.50
10.00	10.00	8.00	8.00	8.00	10.00
3.75	6.25	10.00	10.00	11.25	11.25
10.00	5.00	5.00	5.00	5.00	8.00
3.75	3.00	5.25	5.25	4.50	6.00
6.00	7.50	7.50	7.50	7.50	7.50
6.00	6.00	5.25	5.25	5.25	6.00
2.00	4.50	3.00	3.00	3.50	3.00
2.00	3.50	3.00	3.00	3.00	3.00
6.00	4.50	6.00	6.00	6.00	7.50
1.50	3.00	7.50	7.50	7.50	7.50
2.50	10.00	12.50	12.50	12.50	12.50
61.00	70.75	78.25	78.25	79.25	89.75
6	5	3	3	2	1

- The table above demonstrates that the highest scoring option by over 10 points is the site adjoining the Cambuslang HQ followed by the second ranking option of Gartcosh Plot 3.
- Cambuslang scored strongly in relation to the site ownership, consistency with planning policy, neighbourhood suitability, delivery timescales, business disruption and suitability of the site. Weaker areas include visibility and aspect.



- In qualitative terms, it is clear that the Cambuslang option represents the preferred option.

7. Value for Money

Bringing together the financial and qualitative elements of the appraisals, it is possible to identify which options demonstrate the best overall value for money. Both the qualitative and financial elements have been rebased out of 100 before these are combined based on a cost: quality ratio. For the financial appraisals, the option with the lowest NPC scores 100% and the other option's scores are then rebased against this. For the qualitative appraisals, the highest scoring option is given a score of 100 and the other options are then rebased against this.

An assumption of a 50:50 ratio weighting in terms of qualitative and financial scores has been agreed between SFRS and ourselves.

This presents a value for money analysis of:

Option		NPC (£)	Rebased Financial Score	Quality Score	Rebased Quality Score	Value for Money	Rank
	Refurbishment of Existing Facilities	11,300,302	96.92%	61.00	68%	82%	5
1	Bothwell Road, Hamilton redevelopment	13,212,006	82.89%	70.75	79%	81%	6
11	Gartcosh 1A West	11,548,045	94.84%	78.25	87%	91%	4
16	Gartcosh 1A East	11,321,794	96.73%	78.25	87%	92%	3
17	Gartcosh 3	11,279,870	97.09%	79.25	88%	93%	2
18	Cambuslang	10,951,792	100.00%	89.75	100%	100%	1

This analysis demonstrates a clear conclusion in favour of selecting the Cambuslang HQ site as the preferred solution for the West Service Area ARC development. This option scores significantly higher than the other options in qualitative terms and also benefits from a marginally lower Net Present Cost. It is unsurprising therefore that it also scores favourably in overall VFM terms when cost and quality are equally weighted.

It is worth noting that even when the VFM weighting between cost and quality is adjusted in favour of one or the other, the same conclusion is achieved, which further strengthens the case for pursuing Cambuslang as the preferred option.

8. Conclusion & Recommendations

This business case provides a clear recommendation that the Cambuslang HQ site represents the preferred option for the combined West Service Area ARC facilities. This site has a number of key advantages over the other short-listed options, including:

- The site is held in SFRS ownership, avoiding project risks associated with site acquisition.
- Its location sits equidistant between the existing sites at Cambuslang and Hamilton. Whilst its profile suffers from being located at the rear of the HQ site, it still benefits from good road connectivity to the wider region.
- Operational and site management benefits (including security and facilities) are likely to be achieved as a result of locating the ARC facilities adjacent to the extensive Cambuslang HQ site.
- Site infrastructure including road access, security and utilities services are already relatively well established at Cambuslang, which should result in an easier and less costly route to delivery.
- Development on this site can be progressed without a need to decant staff out of Hamilton or Cowcaddens, enabling the ARC functions to migrate seamlessly once the new facilities are completed.
- Similarly there should be no disruption to existing operations resulting from the proposed works, which would contrast starkly with the difficulties likely to be experienced from developing new facilities on the existing Hamilton site or indeed refurbishing the existing facilities at Hamilton and Cowcaddens.
- Overall, the Cambuslang site represents a significantly less risky proposition when compared to the other options considered as part of this report.
- Aside from the operational benefits, securing planning consent may also be more straightforward for the proposed development than either the Gartcosh or Hamilton locations.
- Regarding the existing facilities at Cowcaddens and Hamilton, a move to a new development at Cambuslang will not fetter any future proposals to dispose of part or all of these existing facilities.

Subject to approval of the findings from this business case, further feasibility work will be needed to progress the Cambuslang option. This will need to include the following:

- Determining the appropriate procurement strategy for delivering the new facilities, the costs of which are likely to exceed the OJEU works threshold, which stands at £4.55m for the 2 year period from 1 January 2018.
- Undertaking further design feasibility work in refining the initial design and site massing work carried out by Keppie Design.
- Holding initial conversations with the local planning authority to better understand the likely development parameters and considerations that will apply.

PICK EVERARD

4Q 2021 Market Intelligence Report

Delivering complete consultancy solutions across the built environment



PICK EVERARD

4Q 2021 Market Intelligence Report

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Executive Summary

Pick Everard are a multi-disciplinary construction consultancy practice operating across the UK. This report draws upon our national knowledge of the UK property sector and aims to add to the body of previously published information, informing our clients of emerging construction trends. The report does not seek to explain every factor affecting the market at the current juncture.

Across the UK media, supply shortages and price increases have been widely reported. As a sector our findings evidence a c. 10% increase in prices compared with this time last year. The questions that we have looked to our answer are:

1. What price changes have occurred and why?
2. What price movements will happen over the short to mid-term?

As a construction consultancy, we are well placed to understand construction demand within the next 6-24 months based on our incoming workload. In addition, we have access to the supply chain and current market information to provide a robust view of current and forecast market conditions.

Our findings contained within the report are drawn from analysing our own project data, and surveying contractors within our market segments. In summary:

- Pricing has increased over the last 12 months to 4Q21 by approximately 8-12%
- This has primarily been triggered by supply chain disruption and material and labour shortages
- There was a jump in demand in 3Q21 from a backlog of work, which has compounded the supply chain shortage issue.
- Our expectation is that inflation will trend at 5% for the forthcoming 12 months, assuming Omicron's impact isn't as disruptive as Covid-19 has been through 1Q20
- Beyond 2022, and assuming the supply chain reconnects, there is limited evidence of a continued demand spike to drive price inflation.

KEY SECTORS

Health

Education

Retail

Residential

Science

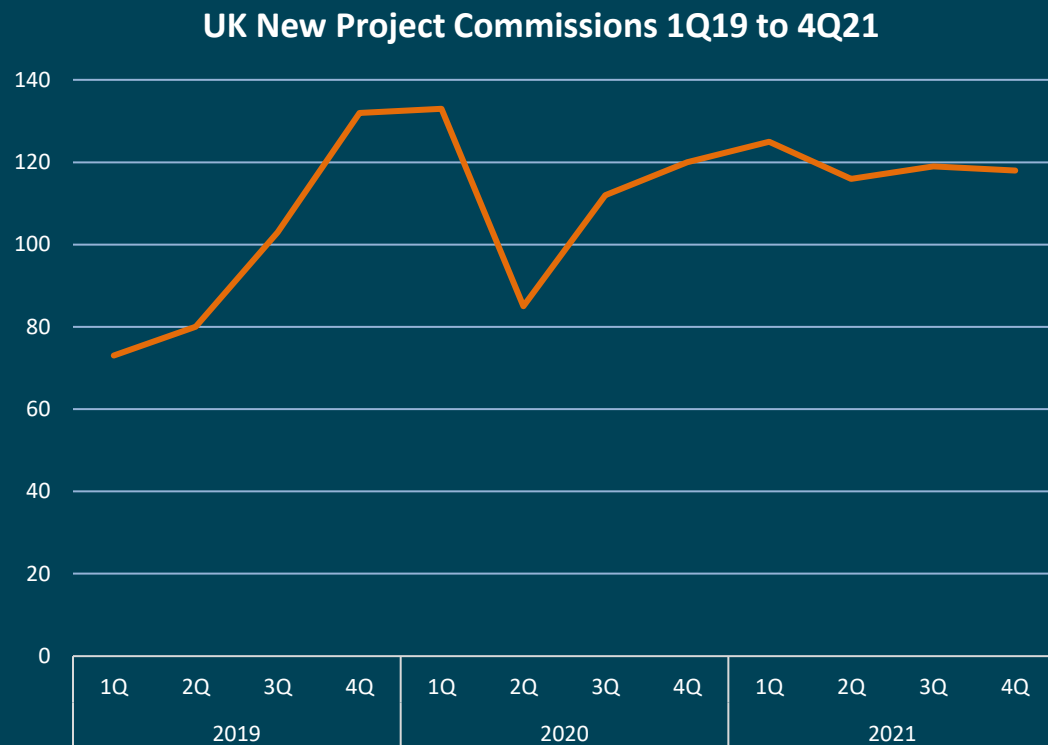
Heritage

Blue light

Defence

Demand analysis

New Commission Trends - UK



Graph 1. Source: Pick Everard

Note: 4Q 2021 data is a pro-rata comparison with seasonal adjustment

To assess current and future demand within the construction sector, we have reviewed the volume of appointments Pick Everard have undertaken over the last 3 years – to illustrate current status and trend. In summary:

- New commission levels were at their peak late 2019 after sluggish growth through early 2019.
- After an initial drop during the first lockdown (1Q21) quarterly project starts recovered by 4Q20 to within 8% of the pre covid high.
- New commissions remain below 4Q19 peak and the effect of the 'Lockdown 2' did not significantly reduce ongoing demand.

Immediate conclusions would be:

- Current market demand for construction services almost certainly reflects projects stalled from the peak in 4Q19/1Q20. Project development and planning cycles can be 12-18months and this would align into construction starts for these projects taking place in 2Q21.
- Demand – as measured by new commissions – has not surpassed the level of 1Q20, and therefore we cannot identify a source of 'current excessive demand' other than the potential for a backlog of projects requiring construction services.
- Demand growth does not appear to be an ongoing issue based on 2021 data.

Demand analysis

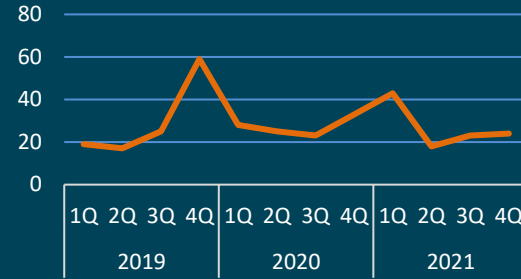
New Commission Trends - Regional

London & South East



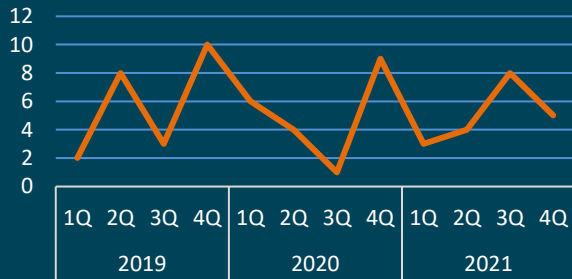
Graph 2

South West & Wales



Graph 3

Midlands



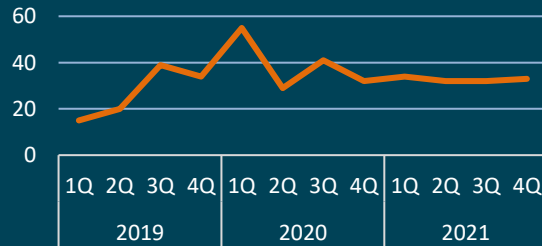
Graph 4

North West



Graph 5

Scotland



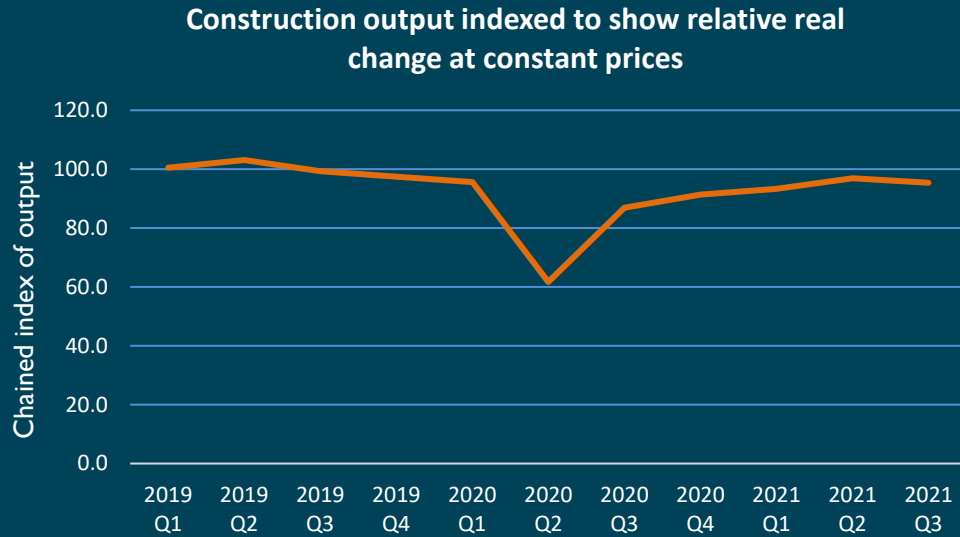
Graph 6

Regionally the picture is varied:

- London & SE shows that new project starts has increased c. 30% on exiting the second lockdown in 2Q21.
- Nationally the data shows that the recovery from 4Q19 is less pronounced with 3 of the 5 regions operating with new commission demand below the peak.
- Scotland is operating at a region at a steady level c. 30% beneath peak.
- The North-West did not experience the late 2019 build up of work, and experienced higher demand for 5 consistent quarters after the end of the 1st lockdown.
- Any demand growth affecting prices would appear to be generated from London, the South East and North West.
- This might indicate spare capacity in supply chains in other regions in forthcoming 12-18 months.

Demand analysis

Published demand data



Graph 7: Source: Office of National Statistics (ONS)

To help give context to our findings Graph 7 shows an output from the office for national statistics showing relative real value changes to construction output during the period.

Graph 7 shows overall construction output, closely matching the Pick Everard experience of new project commissions.

Construction output recovered quickly on the end of “Lockdown 1”. From 3Q19 output had fallen 40% in 2Q20, but has remained between 90-95% of the 3Q19 for the subsequent months.

This indicates that overall demand in the sector is not abnormally high – excepting that supply side constraints have limited the ability to produce output. In the next sections we review supply chain expectations and constraints.

Supply constraints

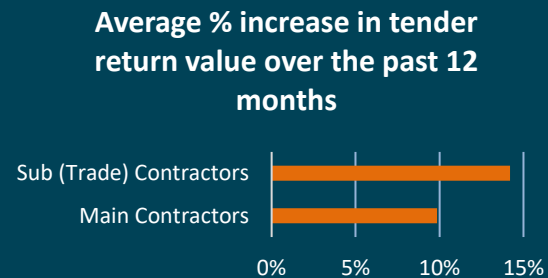
Construction survey summary

Pick Everard approached 20 contractors that have been, or are currently, involved in projects with Pick Everard. The aim of the survey is to understand historic and forecast impacts on supply, demand and prices in the construction sector. In particular we wanted to understand the impact of supply on their operations.

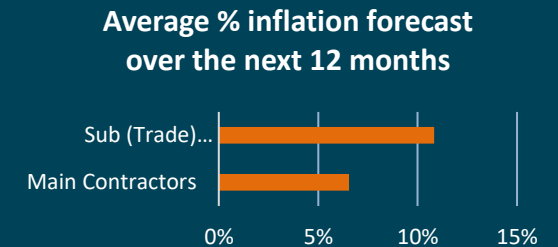
Previous inflation assessment

All contractors recognised that there had been a significant burst of inflation over the past 12 months which had affected their input prices and bid pricing. There was a difference in assessment between trade and main contractors: trade contractors considered that there had been on average (Graph 8) 4% more inflation than main contractors. Anecdotal explanations are that:

- Trade contractors are as a percentage of turnover more exposed to material price increases.
- Main contractors have been absorbing some price rises to maintain existing contracts or win new work.



Graph 8: Source: Pick Everard



Graph 9: Source: Pick Everard

Inflation expectations assessment

When asked what their expectations for price rises over the next 12 months, trade contractors were again more bullish about inflation levels (Graph 9) forecasting an average of 4% more than main contractors.

Many main contractors reported that they thought the trade contractor price increases were partly driven by opportunism, and any increase in competition or reduced demand would reduce the price rises.

Ultimately the potential for interest rate rises, or other macro related demand restrictions (such as pandemic) could contain price rises if opportunism is a significant price component.

Supply constraints

Construction survey – supply and demand analysis

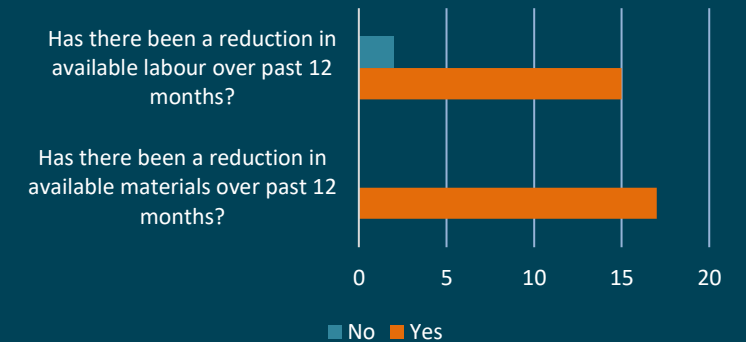
Supply and Demand – Past

- Almost all main and trade contractor respondents correlated the price increases to reduced supply of labour and materials. (Graph 10)
- The overall assessment of demand was that c. two-thirds of respondents thought demand had increased but a good section of the market (33%) considered it had either remained steady or decreased. (Graph 11). Anecdotally, most respondents identified the demand as stemming from a backlog of pre-covid work rather than new work. This would correlate with the peak new project build up that Pick Everard experienced at the back end of 2019.

Supply and Demand – Future

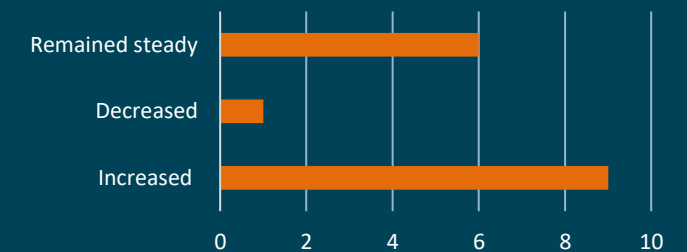
- When asked whether tender returns and supply would become easier over the next 12 months the responses were mixed. Trade contractors were more pessimistic (Graph 20) but main contractors were almost split on the issue (Graph 15). Further analysis is required as to why this would be: immediate suggestions would be that trade contractors have later visibility of further pipeline than main contractors, and therefore the main contractors have a more cautious assessment of further levels of excess demand.
- This fits with the Pick Everard view that there is not an abnormal spike in demand growth in late 2021 so this should prevent excess inflation occurring over the next 12 months.

Labour and Materials Shortages



Graph 10: Source: Pick Everard

Has demand increased over the past 12 months?



Graph 11: Source: Pick Everard

Supply constraints

Construction survey – Main contractor assessments

Main Contractors

Approximate % increase in tender return value over the past 12 months?

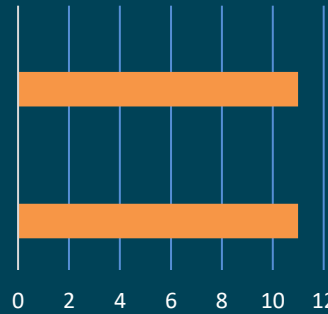


12% 10% 7% 8%

Graph 12

Labour and Material Shortages

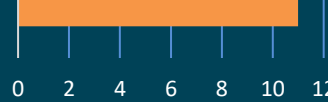
Has there been a reduction in available labour over past 12 months?



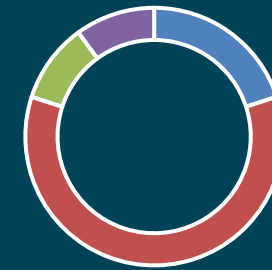
no yes

Graph 13

Has there been a reduction in available materials over past 12 months?



What are your expectations for price increases over the next 12 months?



10% 5% 12% 8%

Graph 14

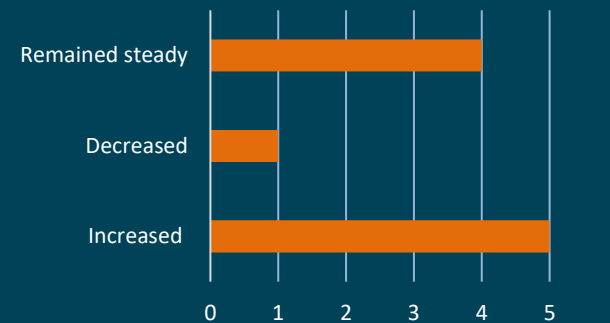
Do you expect it to become easier to get trade contractor tender returns over the next 12 months?



Yes No

Graph 15

Has demand increased over the past 12 months?



Graph 16

Supply constraints

Construction survey – sub (trade) contractors' assessments

Trade Contractors

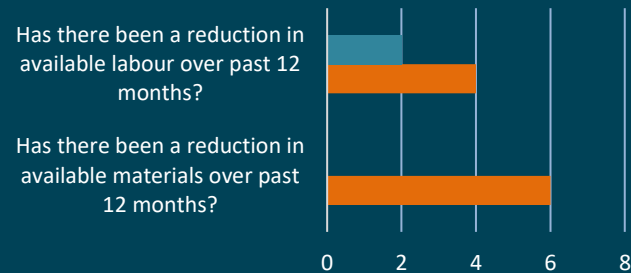
Approximate % increase in tender return value over the past 12 months?



15% 6% 20%

Graph 17

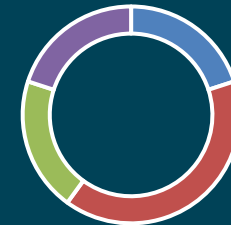
Labour and Material Shortages



No Yes

Graph 18

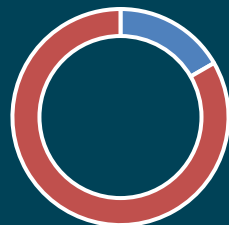
What are your expectations for price increases over the next 12 months?



8% 15% 5% 10%

Graph 19

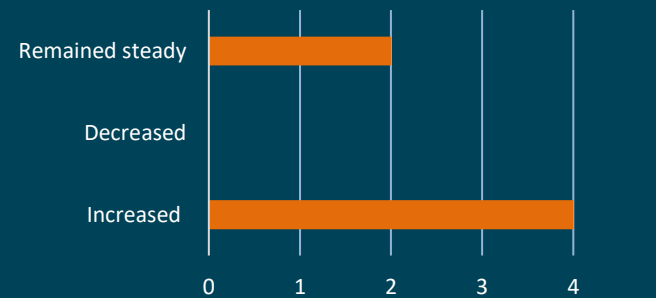
Do you expect it to become easier to get trade contractor tender returns over the next 12 months?



Yes No

Graph 20

Has demand increased over the past 12 months?

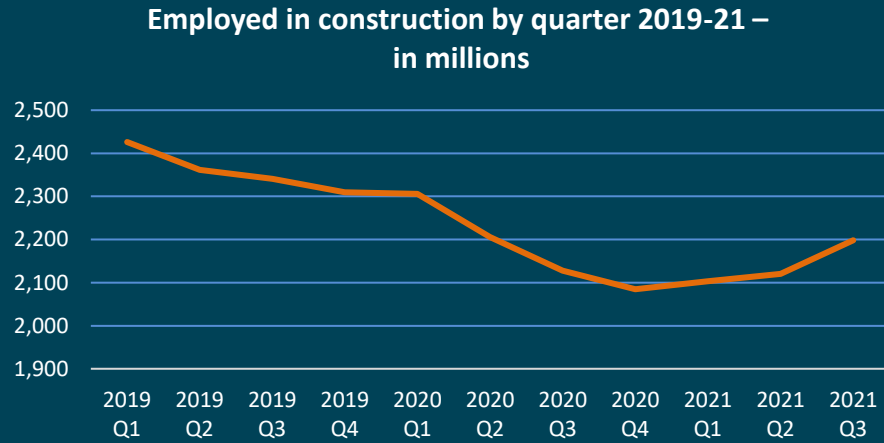


Graph 21

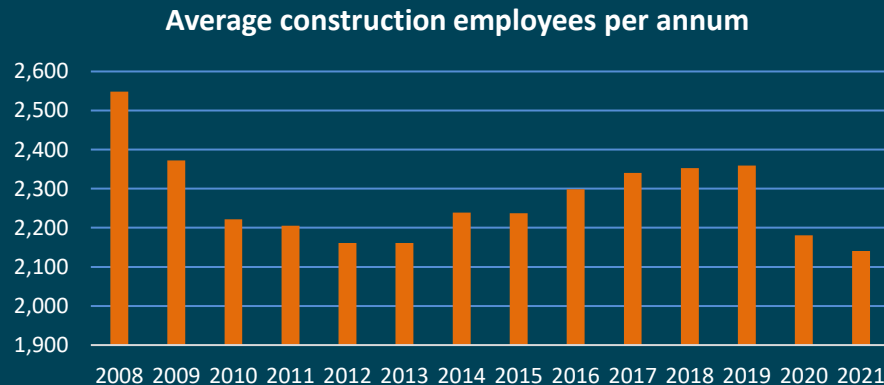
*Source: Pick Everard

Supply constraints

Workforce supply



Graph 22. Source: Office for National Statistics



Graph 23. Source: Office for National Statistics

In assessing price increases and supply shortages we have examined the trend in number of people employed within the construction sector.

Graph 22 shows that during the pandemic people working in construction had reduced by 15% by 3Q20 but has started to rise again at the end of “Lockdown 2”. The industry is currently operating with less labour than it was in 2019.

To examine whether this was a significant issue we looked at how the labour market has responded historically to demand side shocks. The data in Graph 23 indicates that there was a 15% drop in employment within the construction industry between 2008 and 2012 - the height of the impact from preceding 2008 financial crisis.

This would indicate that the industry is adept at increasing labour supply, but it is a multi year process, and presumably lags available demand for a period of growth.

Our conclusion would be that the rapid reduction in employees and inability of the industry to resource labour back up to peak 2019 levels to meet backlog demand will have an inflationary impact until the labour market can be re-aligned to meet the volume of construction work.

Conclusions

- There has been an inflation burst of between 8-12% during late 2021.
- This is set to continue until at least 2Q22 based on continued backlog of work, disrupted supply chains, commodity price increases, contractor pricing expectations and a reduced labour force evidenced through the pandemic.
- The risk into 3Q22 and beyond is less clear. The inflationary impact from the current price indices will drop out, and there would not appear to be an obvious immediate abnormal rise in current demand for new project consultancy services (Pick Everard).
- Any period of excess inflation may attract a tightening monetary policy from government (ECB) which would quickly dampen demand for speculative developments.
- The key issue will be how quickly the supply chain reconnects over the next 12 months, and how primary input costs such as energy and raw materials subside. It should be noted labour shortages within the workforce generally only recover over a period of time after a demand shock, so there is likely to be structural labour supply constraints for at least 24 months.
- The emergence of covid variants and the subsequent global governmental response does have the potential to extend supply chain volatility beyond 4Q22.
- Supply chain volatility (the inability to supply construction materials) and its associated risk to programmes and costs – has the potential to drive another surge in inflation through 2022

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BCIS All-in TPI #101

Base date: 1985 mean = 100 | Updated: 03-Dec-2021 | #101

Date	Index	Equivalent sample	Percentage change		
			On year	On quarter	On month
1Q 2020	335	Provisional	1.2%	0.6%	
2Q 2020	335	Provisional	0.0%	0.0%	
3Q 2020	330	Provisional	-1.5%	-1.5%	
4Q 2020	328	Provisional	-1.5%	-0.6%	
1Q 2021	328	Provisional	-2.1%	0.0%	
2Q 2021	331	Provisional	-1.2%	0.9%	
3Q 2021	339	Provisional	2.7%	2.4%	
4Q 2021	351	Forecast	7.0%	3.5%	
1Q 2022	358	Forecast	9.1%	2.0%	
2Q 2022	363	Forecast	9.7%	1.4%	
3Q 2022	363	Forecast	7.1%	0.0%	
4Q 2022	366	Forecast	4.3%	0.8%	
1Q 2023	370	Forecast	3.4%	1.1%	
2Q 2023	375	Forecast	3.3%	1.4%	
3Q 2023	379	Forecast	4.4%	1.1%	
4Q 2023	383	Forecast	4.6%	1.1%	
1Q 2024	389	Forecast	5.1%	1.6%	
2Q 2024	394	Forecast	5.1%	1.3%	
3Q 2024	397	Forecast	4.7%	0.8%	
4Q 2024	402	Forecast	5.0%	1.3%	
1Q 2025	404	Forecast	3.9%	0.5%	
2Q 2025	410	Forecast	4.1%	1.5%	
3Q 2025	413	Forecast	4.0%	0.7%	
4Q 2025	419	Forecast	4.2%	1.5%	
1Q 2026	423	Forecast	4.7%	1.0%	
2Q 2026	428	Forecast	4.4%	1.2%	
3Q 2026	430	Forecast	4.1%	0.5%	

BCIS Materials Cost Index #1171

Base date: 1985 mean = 100 | Updated: 23-Nov-2021 | #1171

Date	Index	Status	Percentage change		
			On year	On quarter	On month
Dec-2019	287.2	Firm	-0.7%	-1.4%	-0.7%
Jan-2020	285.8	Firm	-0.9%	-2.0%	-0.5%
Feb-2020	287.3	Firm	-0.8%	-0.6%	0.5%
Mar-2020	288.9	Firm	-1.1%	0.6%	0.6%
Apr-2020	288.8	Firm	-1.1%	1.0%	0.0%
May-2020	291.2	Firm	-0.1%	1.4%	0.8%
Jun-2020	289.3	Firm	-1.1%	0.1%	-0.7%
Jul-2020	289.9	Firm	-0.8%	0.4%	0.2%
Aug-2020	289.9	Firm	-0.7%	-0.4%	0.0%
Sep-2020	291.1	Firm	-0.1%	0.6%	0.4%
Oct-2020	292.4	Firm	0.3%	0.9%	0.4%
Nov-2020	294.2	Firm	1.8%	1.5%	0.6%
Dec-2020	298.2	Firm	3.8%	2.4%	1.4%
Jan-2021	299.6	Firm	4.8%	2.5%	0.5%
Feb-2021	305.1	Firm	6.2%	3.7%	1.8%
Mar-2021	310.2	Firm	7.4%	4.0%	1.7%
Apr-2021	314.3	Firm	8.8%	4.9%	1.3%
May-2021	318.9	Firm	9.5%	4.5%	1.5%
Jun-2021	323.9	Firm	12.0%	4.4%	1.6%
Jul-2021	329.7	Firm	13.7%	4.9%	1.8%
Aug-2021	342.5	Provisional	18.1%	7.4%	3.9%
Sep-2021	348.5	Provisional	19.7%	7.6%	1.8%
Oct-2021	350.5	Provisional	19.9%	6.3%	0.6%
Nov-2021	353.8	Forecast	20.3%	3.3%	0.9%
Dec-2021	354.6	Forecast	18.9%	1.8%	0.2%
Jan-2022	354.7	Forecast	18.4%	1.2%	0.0%
Feb-2022	356.1	Forecast	16.7%	0.7%	0.4%
Mar-2022	356.8	Forecast	15.0%	0.6%	0.2%
Apr-2022	359.2	Forecast	14.3%	1.3%	0.7%
May-2022	360.3	Forecast	13.0%	1.2%	0.3%
Jun-2022	359.4	Forecast	11.0%	0.7%	-0.2%
Jul-2022	357.1	Forecast	8.3%	-0.6%	-0.6%
Aug-2022	355.4	Forecast	3.8%	-1.4%	-0.5%
Sep-2022	353.3	Forecast	1.4%	-1.7%	-0.6%
Oct-2022	352.9	Forecast	0.7%	-1.2%	-0.1%
Nov-2022	352.5	Forecast	-0.4%	-0.8%	-0.1%
Dec-2022	351.8	Forecast	-0.8%	-0.4%	-0.2%

Date	Index	Status	Percentage change		
			On year	On quarter	On month
Jan-2023	351.9	Forecast	-0.8%	-0.3%	0.0%
Feb-2023	353.4	Forecast	-0.8%	0.3%	0.4%
Mar-2023	354.0	Forecast	-0.8%	0.6%	0.2%
Apr-2023	356.7	Forecast	-0.7%	1.4%	0.8%
May-2023	358.0	Forecast	-0.6%	1.3%	0.4%
Jun-2023	357.5	Forecast	-0.5%	1.0%	-0.1%
Jul-2023	357.6	Forecast	0.1%	0.3%	0.0%
Aug-2023	358.3	Forecast	0.8%	0.1%	0.2%
Sep-2023	358.6	Forecast	1.5%	0.3%	0.1%
Oct-2023	359.9	Forecast	2.0%	0.6%	0.4%
Nov-2023	361.2	Forecast	2.5%	0.8%	0.4%
Dec-2023	362.3	Forecast	3.0%	1.0%	0.3%
Jan-2024	362.4	Forecast	3.0%	0.7%	0.0%
Feb-2024	363.9	Forecast	3.0%	0.7%	0.4%
Mar-2024	364.6	Forecast	3.0%	0.6%	0.2%
Apr-2024	367.6	Forecast	3.1%	1.4%	0.8%
May-2024	369.3	Forecast	3.2%	1.5%	0.5%
Jun-2024	369.1	Forecast	3.2%	1.2%	-0.1%
Jul-2024	369.4	Forecast	3.3%	0.5%	0.1%
Aug-2024	370.5	Forecast	3.4%	0.3%	0.3%
Sep-2024	371.0	Forecast	3.5%	0.5%	0.1%
Oct-2024	371.9	Forecast	3.3%	0.7%	0.2%
Nov-2024	372.6	Forecast	3.2%	0.6%	0.2%
Dec-2024	372.8	Forecast	2.9%	0.5%	0.1%
Jan-2025	373.6	Forecast	3.1%	0.5%	0.2%
Feb-2025	375.7	Forecast	3.2%	0.8%	0.6%
Mar-2025	377.0	Forecast	3.4%	1.1%	0.3%
Apr-2025	379.8	Forecast	3.3%	1.7%	0.7%
May-2025	381.6	Forecast	3.3%	1.6%	0.5%
Jun-2025	381.7	Forecast	3.4%	1.2%	0.0%
Jul-2025	382.0	Forecast	3.4%	0.6%	0.1%
Aug-2025	383.1	Forecast	3.4%	0.4%	0.3%
Sep-2025	383.5	Forecast	3.4%	0.5%	0.1%
Oct-2025	384.2	Forecast	3.3%	0.6%	0.2%
Nov-2025	384.8	Forecast	3.3%	0.4%	0.2%
Dec-2025	385.2	Forecast	3.3%	0.4%	0.1%
Jan-2026	386.1	Forecast	3.3%	0.5%	0.2%
Feb-2026	388.4	Forecast	3.4%	0.9%	0.6%
Mar-2026	389.7	Forecast	3.4%	1.2%	0.3%
Apr-2026	392.8	Forecast	3.4%	1.7%	0.8%
May-2026	394.5	Forecast	3.4%	1.6%	0.4%

Date	Index	Status	On year	Percentage change	
				On quarter	On month
Jun-2026	394.0	Forecast	3.2%	1.1%	-0.1%
Jul-2026	393.9	Forecast	3.1%	0.3%	0.0%
Aug-2026	394.6	Forecast	3.0%	0.0%	0.2%
Sep-2026	394.7	Forecast	2.9%	0.2%	0.0%