

Firth Way, Blenheim Industrial Estate Development Briefing Document

Background

The Investment & Development team propose to develop a scheme of light industrial units on Firth Way, Blenheim Industrial Estate to supplement the existing industrial stock available in this prominent location.

The Firth Way site was previously used as a lorry compound and more recently as a secure storage compound for ceased vehicles. The site is suitable for a light industrial development and would be adjacent to the Council owned Vision Business Centre.

The site was previously considered as part of the SUDS funding scheme but it was quickly realised that the finished development would not deliver the outputs required to meet the criteria of the grant scheme. Given the location of the site and the Council Plan the decision was taken to investigate this site as a standalone industrial development site which could be incorporated into the Property Trading Account. The decision to progress this development is supported by the Portfolio Holder, the Corporate Director for Development & Growth and the Deputy Chief Executive & Strategic Director of Development.

Blenheim Industrial Estate is the prime industrial area in Nottingham city, its proximity to both the city centre and M1 are key drivers to its popularity. The location has been identified as a key employment site that needs to be developed and improved. The development of the adjacent Energy Park will further improve demand for accommodation in this location from supply chain businesses.

Private sector development in this area has been limited, largely due to perceived ground conditions of the site (being a former landfill). This project will work towards achieving strategic regeneration and development of the site, a key theme in the Council Plan 2015-2019. The development will allow new and existing businesses to grow which will result in job creation and investment into the Bulwell ward. The development will also make use of our land and commercial resources to generate additional income to protect front line services. Property Service has been asked to look at the feasibility of such a development which will be let and managed in-house.

Initial free design work showed that approximately 22,500 sq ft of light industrial space could be delivered on the site but to confirm the construction costs site investigations and further design development need to be undertaken.

The Proposed Scheme:

The project will deliver light industrial/workspace units of between 2,500 and 5,000 sq ft on a site of approximately 1.66 acres at Firth Way, Blenheim. The units will be energy efficient with low running costs for tenants and will require a low level of day to day management. The units will be flexible, being easily combined/ sub-divided as required.

The scheme will have minimum eaves heights of 6m, 3 –phase electricity, gas (if required) and associated parking. The development will be secure and easy to maintain.

In July 2017, initial design and feasibility work was completed by Wilmott Dixon, this work produced a design and an initial project cost of £3,270,836 including assumed abnormal costs. There were a number of caveats in this cost assessment as no site surveys had previously been undertaken to ascertain the condition of the site in terms of contamination, its connection to and capacity of utilities.

The decision was taken not to continue with Wilmott Dixon as they are a large scale contractor and it was felt that a smaller contractor would be better suited to deal with the scheme.

The Head of Portfolio Investment & Development has secured very strong interest from an existing tenant who requires better quality accommodation for their business, relocation of this tenant would allow us to refurbish their existing property and re-let it. Occupation by such a tenant would lead to potential business expansion and job creation.

The Next Stage

Through the SCAPE framework, Morgan Sindall has been chosen to develop the design of the proposed development and complete the necessary site surveys required to identify the actual cost of delivering the development. Once completed we will determine if the development is feasible given the potential tenant interest and the rental income that can be secured.

The decision to proceed with the full construction project will be taken in a separate approval and will be subject to a full business case appraisal.

The cost of developing the initial design and completing site investigations and surveys as requested by the planning team is circa £56,869.73 and this approval seeks authority to allow Morgan Sindall to complete this stage to provide a fully designed and costed scheme which can be taken to Executive Board.

A decision not to spend this sum on initial feasibility will result in the development not proceeding and the site remaining undeveloped. If the decision is taken not to proceed to full construction, the site could be sold with the benefit of the design, planning consent and suite of surveys.