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West Northamptonshire Council

Cabinet

A meeting of the Cabinet will be held at the The Jeffrey Room, The Guildhall, Northampton, NN1 1DE on Monday 28 February 2022 at 6.00 pm

Agenda

Public Session	
1.	**Apologies for Absence**
2.	**Declarations of Interest** Members are asked to declare any interest and the nature of that interest which they may have in any of the items under consideration at this meeting.
3.	**Chair's Announcements** To receive communications from the Chair.
4.	**Disposal of Land at Sixfields, Northampton** (Pages 5 - 138)
5.	**Urgent Business** The Chairman to advise whether they have agreed to any items of urgent business being admitted to the agenda.
Private Session	
6.	**Exclusion of the Press and Public** The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972. Members are reminded that whilst the following item(s) have been marked as exempt, it is for the meeting to decide whether or not to consider each of them in private or in public. In making the decision, members should balance the interests of individuals or

	the Council itself in having access to the information. In considering their discretion members should also be mindful of the advice of Council Officers. Should Members decide not to make a decision in public, they are recommended to resolve as follows: "That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item(s) of business on the grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information."

Catherine Whitehead
Proper Officer
18 February 2022

Cabinet Members:

Councillor Jonathan Nunn (Chair)

Councillor Adam Brown (Vice-Chair)

Councillor Fiona Baker

Councillor Lizzy Bowen

Councillor Rebecca Breese

Councillor Matt Golby

Councillor Mike Hallam

Councillor Phil Larratt

Councillor Malcolm Longley

Councillor David Smith

Information about this Agenda

Apologies for Absence

Apologies for absence and the appointment of substitute Members should be notified to democraticservices@westnorthants.gov.uk prior to the start of the meeting.

Declarations of Interest

Members are asked to declare interests at item 2 on the agenda or if arriving after the start of the meeting, at the start of the relevant agenda item

Local Government and Finance Act 1992 – Budget Setting, Contracts & Supplementary Estimates

Members are reminded that any member who is two months in arrears with Council Tax must declare that fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

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Tel:
Email: democraticservices@westnorthants.gov.uk

Or by writing to:

West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

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West Northamptonshire Council

WEST NORTHAMPTONSHIRE COUNCIL
CABINET

28 February 2022

Portfolio Holder for Finance – Councillor Malcolm Longley

Report Title	**Disposal of Land at Sixfields, Northampton**
Report Author	**Simon Bowers, Assistant Director Assets and Environment** **Simon.Bowers@westnorthants.gov.uk**

Contributors/Checkers/Approvers

MO	Catherine Whitehead	18 February 2022
S151	Martin Henry	18 February 2022
CE	Anna Earnshaw	18 February 2022

List of Appendices

Appendix A – Heads of Terms for proposed sale to CDNL
Appendix B – Heads of Terms for proposed sale to Cilldara
Appendix C – Lambert Smith Hampton Initial Viability Assessment Report
Appendix D – Lambert Smith Hampton Red Book Valuation Report

1. Purpose of Report

1.1 This report seeks to address the options for the disposal of land at Sixfields currently owned freehold by WNC. The report discusses the proposals put forward by the current long leaseholder, County Developments (Northampton) Limited ('CDNL'), as well as an additional proposal from Cilldara Limited, and provides Members with the information that they will need to make an informed decision on the possible disposal of the site.

1.2 The report therefore seeks instruction from Cabinet on how, and indeed if, it wishes to progress the disposal of the site, having regard to the benefits and issues relating to each proposal.

2. Executive Summary

2.1 The Council holds freehold land at Sixfields, Northampton adjacent to the Northampton Town Football Club Limited ('NTFC') stadium. The stadium itself is owned freehold by the Council and on a long lease to NTFC (referred to as the 'NTFC Lease').

2.2 The Council's remaining freehold land extends to approximately 10.01 Ha (24.74 acres). It includes a household waste recycling centre (HWRC), car park and a large area of disused land. It was formerly a waste site, with variable and challenging ground conditions. The freehold was previously held by Northampton Borough Council (NBC). The site does offer redevelopment potential, but the ground condition and contamination issues caused by its previous use pose significant challenges to the viability of any development scheme.

2.3 Tenure of the site is complex, but can be summarised as:

- Most of the site is held under a long lease due to end in April 2164 to County Developments (Northampton) Limited ('CDNL'). This is referred to as the 'Main Site Lease'. It has a break clause allowing the Council to terminate the lease from April 2024 if the CDNL has not carried out "all necessary remediation works". The ability of the Council to exercise the break clause and the extent of the remediation works that would be required to avoid the break clause trigger has been, and remains, the subject of serious challenge and risk.
- A smaller part of the site, adjacent to the stadium, comprising the former athletics track is held by CDNL on a long lease due to end (but with a statutory right to renew) in February 2163. This is referred to as the 'Running Track Lease'. It does not contain a break clause.
- The HWRC is held by WNC "below" the Main Site lease (so CDNL is now WNC's landlord under this lease) on a further long lease, due to end in February 2119 (but with a statutory right to renew). This is referred to as the 'HWRC lease'. Originally this lease was held by Northamptonshire County Council (NCC). It does not contain a break clause.
- The Running Track site is also subject to the NTFC Lease, which is due to end (but with a statutory right to renew) in April 2154, but over the Eastern half of the site this lease was transferred to NBC, now WNC (referred to as the 'WNC Leasehold'). The remaining part of the NTFC Lease is referred to as the 'Stadium Lease'. The practical effect of this is that CDNL itself does not have the right to occupy the land demised by the Running Track Lease.

2.4 These lease boundaries are shown on Plan 1.

2.5 There is also a Clawback Deed in favour of the Homes & Communities Agency (Homes England, HE), under which HE is entitled to receive 50% of value above that of a specified housing-led scheme for up to 300 dwellings and up to 85,000 square feet of retail floorspace. The ability to progress such a scheme is significantly undermined given the variable and challenging ground conditions previously referenced and the level and cost of such work.

2.6 CDNL is a subsidiary of NTFC. NTFC is controlled by David Bower and Kelvin Thomas, and others ("Bower and Thomas"), through various legal entities.

2.7 These arrangements result from previous agreements between Northampton Borough Council (NBC) and NTFC/CDNL when the latter were in previous ownerships (i.e., prior to Bower and Thomas taking an interest). NBC intended to assist NTFC extend and improve its ground by building the 'East Stand'. It did this by entering into a series of property and loan transactions. Ultimately NTFC defaulted on the loans, and parts of the property agreements were cancelled. These transactions ultimately resulted in the issue of a public interest report by KPMG, NBC's external auditors, which concluded that many of them were unlawful or unwise.

2.8 CDNL became insolvent but both it and NTFC were acquired by Bower and Thomas. Under the new ownership, NBC agreed not to pursue NTFC for the missing loan monies and instead acquired the rights in place of NTFC to pursue parties previously connected with NTFC who may have benefited from or held some of those monies.

2.9 Bower and Thomas engaged in discussions with NBC, shadow WNC and latterly WNC with a view to securing freehold ownership of the Main Site land and Running Track land. WNC engaged in these discussions because of the control Bower and Thomas, via CDNL, had over the land. West Northamptonshire Council commissioned a multi-disciplinary expert company, Lambert Smith Hampton (LSH) following a mini tender process to consider the value of the site given its complexities, to establish what level of offer would meet this requirement, and later to prepare a formal 'Red Book' valuation prior to agreeing the detailed terms of a disposal. This was to enable the Council to fulfil its duties under Section 123 of the Local Government Act 1972 to only dispose of land for the best (financial) consideration reasonably obtainable.

2.10 Following negotiations an initial agreement was reached. This provided for CDNL to be granted an option to purchase the land (excluding the HWRC site) for £890,000, conditional on the completion of the East Stand. This met the market value as assessed by LSH. It was later clarified that the area of land subject to the offer excluded certain other marginal areas; the extent of land it was proposed to be subject to the option is edged red on Plan 2. Additionally, the Council would be entitled to receive additional monies if the Homes England clawback was reduced below assumed levels. As part of the transaction, CDNL would surrender the Main Site Lease and Running Track Lease.

2.11 However, the Council then became aware of a rival offer by Cilldara Limited. This was eventually crystallised into a specific offer to pay £1,800,000, subject to the Main Site Lease ceasing, for the land edged red on Plan 3. This is the same site as the CDNL offer but excluding the Running Track land.

2.12 This rival offer resulted in an improved offer from CDNL. This retained the same area of land and price, but rather than being a potential payment at some point in the future it was instead an offer to purchase the land (and surrender the leases) immediately, with an option granted to the Council to repurchase the land for £1 if the East Stand had not been completed within five years. This was clearly a much more attractive proposition than the original CDNL offer.

2.13 In order to try and ensure the Council had the clearest and optimal offers to consider, both CDNL and Cilldara were asked to provide 'best and final offers' by 5pm on Monday 17th January. Of course, in the context of a proposed disposal it is not possible to prevent offers being received, but this was intended to bring focus. CDNL responded by reiterating its improved offer. Cilldara raised its offer to £2,050,000. The offers were therefore assessed on that basis.

2.14 The offers have been carefully considered. The conclusion is that, on balance, the CDNL offer is to be preferred on financial grounds. This is primarily because whilst it is lower it is not subject to the risk and delay likely to result from an attempt by the Council to break the Main Site Lease (which could not occur earlier than 2024 in any event). It is anticipated that CDNL as leasehold would robustly challenge any decision to sell the land to another party and to terminate the Main

Site Lease, if necessary through litigation. Litigation is likely to be expensive and time-consuming and of uncertain outcome. Accepting the CDNL offer removes those risks, although of course Cilldara may challenge a decision to proceed with CDNL and not with Cilldara, which would be limited to a challenge to the decision-making process. These are less likely to result in significant delay and the range of possible outcomes is more limited and therefore easier to assess.

2.15 Following the publication of the Council report a further change has been proposed by Cilldara. This has been considered but given its lateness against the Council's published decision-making timetable it has not been assessed in detail, and therefore is not recommended.

2.16 On the basis that the CDNL offer is to be preferred financially, the question is now whether it should be accepted, as opposed to not disposing of the land at this time. The other options (referred at 6.26 of this report), apart from doing nothing, are considered to be impracticable. Therefore, the conclusion is that it would be worthwhile disposing now, since (a) it would achieve a capital receipt, (b) this makes it likely the land will be developed, in line with the Council's planning policies and the aims of the Northampton Waterside Enterprise Zone, and (c) it makes it more likely that the East Stand will be completed as realistically only CDNL/NTFC would be able to deliver that and also in that in the event that the East Stand is not completed the Council would be entitled to exercise its option to repurchase the land for £1.

2.17 If this approach is adopted, there would be a series of legal steps, involving NTFC, CDNL and HE, and also compliance with the assets of community value provisions of the Localism Act 2011, as the Running Track site is within the asset of community value listing of the stadium, as well as other legal processes. This is likely to mean the transaction would take between three and nine months to complete from the time the Cabinet decision becomes effective.

3. Recommendations

3.1 It is recommended that the Cabinet directs that:

a) The Council should trigger the process under Chapter 3 of Part 5 of the Localism Act 2011 relating to the disposal of an asset of community value (the Running Track site).

b) Once the applicable moratorium period has expired enter an agreement with County Developments (Northampton) Limited and Northampton Town Football Club Limited for the disposal of the site for £890,000 as outlined in Appendix A and seek the necessary agreement from Homes England for this purpose.

4. Reason for Recommendations

4.1 To ensure that the Council complies with its legal obligations under the Localism Act 2011.

4.2 To meet the Council's obligations to seek best consideration in relation to land disposals, as set out in the report.

4.3 In addition to achieve a number of wider benefits considered to be in the interests of the Council and the community in its area:

- Generate a substantial capital receipt in the short to medium term (anticipated before the end of 2022).
- Greatly assist in regularising the complex ownership position that exists on site:
    - Most immediately in relation to the HWRC site (which would be held by the Council free from any lease to CDNL) and the other retained land.
    - Also (at a later stage) in relation to the running track land and the main site if these are repurchased by WNC (as the relevant leases of these areas would be surrendered as part of the deal with CDNL).
- Remove the risks of legal challenges from CDNL to the Council's ability to break the Main Site Lease and the potential costs to the Council associated with that.
- Increase the likelihood that the East Stand would be completed.
- In the event that the East Stand was not completed, secure the return of the land to the Council's freehold ownership with very little further cost (a price of £1 with associated legal and other transactional costs).
- It makes it likely the land will be developed, in line with the Council's planning policies and the aims of the Northampton Waterside Enterprise Zone.

5. Report Background

Overview

5.1 The land shown on Plan 1 was previously owned freehold by NBC. As a result of local government reform in Northamptonshire, from the 1st of April 2021, NBC was abolished, along with Northamptonshire County Council, Daventry District Council and South Northamptonshire District Council, and West Northamptonshire Council (WNC) was created. As statutory successor, WNC is the freehold owner of the land.

5.2 In this report:

- David Bower and Kelvin Thomas are referred to jointly as 'Bower and Thomas' and treated as a single controlling entity, although some other individuals are at least formally involved alongside them.
- 'NTFC' is Northampton Town Football Club Limited (The) (no. 00183917)
- 'CDNL' is County Developments (Northampton) Limited (no. 08589683).
- 'NTVL' is Northampton Town Ventures Limited (no. 09858599).

5.3 NTFC is identified at Companies House as having significant control over CDNL, as owner of 75% or more of the shares in the company; CDNL is therefore its subsidiary. CDNL's directors are listed as Kelvin Brian Thomas and David John Gellie Bower. NTFC's Directors include Bower and Thomas but there are further directors. NTFC is controlled by another company, NTVL which according to Companies House is controlled by David John Gellie Bower and Jane Bower (both resident in the United Arab Emirates). Although Kelvin Brian Thomas is not listed as a person with significant control both Thomas and Bower are Directors of NTVL.

5.4 The legal documentation and arrangements surrounding this site are complex and have changed over time. The summary chronology is:

1. 1994 – NBC grants a 125-year lease of the HWRC (the 'HWRC Lease') to NCC.
2. 2004 – NBC grants a 150-year lease of the stadium and running track (the 'NTFC Lease') to Northampton Town Football Club.
3. 2013 – NBC enters the Contract for Sale with CDNL, conditional on ~~a~~ number of conditions including the grant of satisfactory planning permission and upon NBC becoming the owner of all of the land (at that stage NBC did not own the main site).
4. 2013 – NBC enters the Running Track Lease with CDNL for 150 years.
5. 2013 – NBC acquires part of the NTFC Lease covering the Eastern part of the Running Track site. (The residual NTFC Lease is referred to as the 'Stadium Lease' and the part transferred to NBC as the 'WNC Leasehold'.)
6. 2013-14 – NBC enters into a series of loan agreements with NTFC for the East Stand and hotel development.
7. 2014 – NBC acquires the freehold of part of the site (land latterly covered by the Main Site Lease) from the Homes and Communities Agency (HCA) and enters into the Clawback Deed and an allied Legal Charge with HCA.
8. 2014 – NBC enters the Main Site Lease with CDNL for 150 years and a supplemental agreement with CDNL to vary the financial and other commercial terms of the Contract for Sale referred to at 3 above.
9. 2015 – NTFC ceases making payments on the NTFC loans. It is also threatened with liquidation initiated by HM Revenue & Customs.
10. 2015 – CDNL becomes insolvent. NBC exercises its right to terminate the Contract for Sale. (Neither the Main Site Lease nor the Running Track leases contain provisions allowing the landlord to break then in the event of the tenant becoming involvement, so remained in place).
11. 2015 – NTFC acquired by Northampton Town Ventures Limited (itself controlled by Bower and Thomas). NBC, Bower and Thomas, and NTFC agree arrangements to prevent NTFC being liquidated.
12. 2016 – NBC commissions a detailed study of the ground conditions, stability of the ground and likely remediations that would be required to progress a development of the site.
13. 2017 – CDNL acquired by the Bower and Thomas and taken out of insolvency.
14. 2019 – Ownership of CDNL passed to NTFC.
15. 2021 – External auditor public interest report into NBC's dealings with NTFC and CDNL published. This principally concerned the loans given by NBC but also addressed the land transactions.

5.5 Between 2014 and 2019 there were several discussions between Bower and Thomas and officers at NBC to address the legal position on site and ultimately seek agreement for the acquisition of the site by CDNL. While terms were discussed, none were ultimately agreed. While there were several factors impacting on those discussions, the principal points of debate surrounded the extent of the remediation and Investigatory works required and the impact that this has on the 2024 break clause within the Main Site Lease.

5.6 In late 2020, the Shadow West Northamptonshire Council was approached by Bower and Thomas with a view to restarting discussions about a possible acquisition of the land to enable them (in their capacity as owners of NTFC) to commit to completing the East Stand at Sixfields Stadium. There discussions have continued with WNC since vesting day.

5.7 Given the complex issue affecting the site, it was appreciated that the Council would need to undertake extensive due diligence, and take independent external advice, to ensure that any agreement reached met best value objectives, took due consideration of both the complex leasehold interests that exist and challenging site conditions. In late 2020, Lambert Smith Hampton (LSH) were appointed to provide advice to the Council following a mini tender. As a respected multi-disciplinary firm, they were well placed to provide the Council with robust, reasoned, and independent advice.

Current Freehold and Leasehold Position

5.8 The legal documentation relating to the subject site is complex and to enable Cabinet to make an informed decision, a summary of the pertinent documentation has been provided below.

5.9 The documentation includes:

- Contract for Sale dated 13th September 2013 (and supplemental agreement dated 11th April 2014 (as referred to above and below)).
- The Running Track Lease dated 17th September 2013.
- The Main Site Lease dated 11th April 2014.
- The Clawback Deed dated 11th April 2014.
- The Household Waste Recycling Lease dated.
- The NTFC Stadium Lease and the assignment of part to the Council.

<u>Contract for Sale – Now Terminated</u>

5.10 On the 13th of September 2013, NBC entered a Contract for Sale with CDNL covering the land included in the Running Track Lease and the Main Site Lease. This agreement placed various obligations on CDNL but essentially afforded it, subject to those conditions being met, the ability to acquire the freehold from NBC.

5.11 The Contract for Sale, Running Track Lease, and the Main Site Lease were intended to work together. While the leases in themselves (discussed below) place obligations on CDNL to undertake works, the leases refer to clauses and definitions within the Contract for Sale (such as Permitted Use). The original construct was designed to enable CDNL to acquire the freehold if the condition in the respective leases were met. Following the termination of the Contract for Sale, CDNL has retained the obligations to undertake works contained in the Leases but no longer has the legal right to acquire the freehold once those works are complete.

5.12 The Contract for Sale was varied by the Supplemental Agreement dated 11th April 2019. This agreement significantly altered a number of key financial and other commercial terms of the Contract for Sale.

5.13 While the Contract for Sale was terminated by NBC in 2015 when CDNL went into administration, it has been included in the summary as it will assist Cabinet to understand the legal documentation entered into at that time in context.

Running Track Lease (shown edged and hatched green on Plan 1 (this also includes the land hatched and cross hatched in red on that plan))

5.14 The basic provisions of this agreement are as follows:

Date:	17th September 2013
Landlord:	Northampton Borough Council (now WNC)
Tenant:	County Developments (Northampton) Limited
Term:	150 Years
Rent:	Peppercorn (if demanded)
Permitted use:	Sports use including athletics (the "Existing Use") and "Investigatory Works" although a mortgagee in possession or its successors may also use for retail, commercial and housing purposes as well as for the Existing Use and Investigatory Works.
Option to break:	None

5.15 The lease does not contain an option to break and does not require any remediation or investigatory works to be undertaken. This is an important consideration as it means that CDNL has (subject to comments at 5.16 below) effective control over this element of the site and is under no obligation to bring this site forward for development during the 150-year lease term. The lease is not excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. This means that unless WNC met certain conditions it could be renewed, at a commercial rent, at the end of its term.

5.16 The lease is subject to a restrictive user clause which limits CDNL's use of the site to sports use including athletics. While this was relevant to its previous use as Running Track, if CDNL wished to develop the site or use it for an alternative use, this would require the consent of the Council. However, it should be noted that a mortgagee in possession can as stated in 5.14 use for a wider variety of uses. As at the date of this report CDNL does not appear to have mortgaged the Running Track Lease, but CDNL could enter into such a mortgage with Council's consent (please see 5.15 below).

5.17 It is also important to note that the Running Track Lease is burdened by two additional leasehold interests. Having previously been leased exclusively to NTFC, the Eastern half was assigned to NBC in 2015. NTFC and NBC (now WNC) therefore also have a leasehold interest in the site. This is an important factor when considering the value of respective interests in this element of the site (discussed later).

5.18 The Running Track Lease is non-assignable except by a mortgagee in possession (with the Council's consent).

Main Site Lease (shown edged and hatched light blue on Plan 1)

5.19 The basic provisions of this agreement are as follows:

Date:	11th April 2014
Landlord:	Northampton Borough Council (now WNC)

Tenant:	County Developments (Northampton) Limited
Term:	150 Years
Rent:	Peppercorn (if demanded)
Permitted use:	A Household Waste Recycling Centre, Study Centre, Funfair, and car parking facilities for Sixfields together with "Investigatory Works and Remediation Works …"
Option to break:	From 10th April 2024 (Landlord only)

5.20 The lease includes a Landlord option to terminate at any time after a "Termination Date" of 10th April 2024. This option can be exercised if the remediation works as set out in the Lease had not been completed. The Lease defines this obligation as:

"…shall carry out all necessary remediation works required to ensure that risks from land contamination are minimised and that the Development can be carried out safely without unacceptable risks to human health and the environment having regard to Policy BN9 of the West Northamptonshire Joint Core Strategy and in full satisfaction of any conditions relating to remediation in any planning permissions for the Development by no later than the Termination Date."

"Development" was defined by reference to the Contract for Sale as "the construction on the Property of approximately 300 houses with an approximate total area of 300,000 square feet, retail unit of a total maximum internal area of 85,000 square feet that may include a supermarket some neighbourhood shops and other retail units." The 2014 Supplemental Agreement increased the 85,000 square feet to 150,000 square feet.

The "Termination Date" 10th April 2024. This is just over two years' time from this report.

5.21 The extent of the works required to satisfy such a provision has historically been a matter of contention and is likely to remain so.

5.22 As highlighted earlier in this report, following the termination of the Contract for Sale, CDNL has no right to acquire the freehold interest in the site even if the remediation works are completed to the required standard. This could only be achieved via negotiation between the parties.

5.23 The Main Site Lease is non-assignable (with no dispensation for a mortgagee is possession).

<u>The Clawback Deed (and Legal Charge)</u>

5.24 On 11th April 2014, NBC entered a Clawback Deed with the Homes and Community Agency (HCA, now known as Homes England, HE). The Clawback Deed is secured by means of a Legal Charge in favour of the Council. This agreement covered the land contained in the Main Site Lease and, for a period of 21 years, entitles the HCA to receive 50% of any uplift in value where the deemed value of a planning consent (payable on implementation) exceeds the value of the site under its permitted use. The permitted use is defined as:

a) Up to 300 dwellings for open market sale (use Class C3), and

b) *Up to 85,000 sq ft net lettable area of retail floorspace within Use Classes A1 to A5 as defined in the Town and Country Planning Act Use Classes Order 1987 as amended*

5.25 The Clawback Deed ceases to apply on 11th April 2035 (i.e. 13 years' time). After that time, any disposal would not be subject to payment to the HCA.

5.26 Ideally the Council will negotiate with HCA for a release of the land to be retained (primarily the HWRC) from the Clawback Deed and the Legal Charge. The consent of the HCA would be required to enable the land to be sold free from the Legal Charge.

<u>The Household Waste Recycling Centre (HWRC) Lease (shown edged and hatched dark blue on Plan 1)</u>

5.27 The basis provisions of this agreement are as follows:

Date:	25th February 1994
Landlord:	Northampton Borough Council (now CDNL)
Tenant:	Northamptonshire County Council (now WNC)
Term:	125 Years
Rent:	Peppercorn (if demanded)
Permitted Use:	Civic amenity site where household refuse may be deposited in pursuance of the provisions of the Refuse Disposal Amenity Act 1978 and for no other purpose whatsoever
Option to Break:	None

5.28 Following LGR, the HWRC lease is now vested with WNC. Given the various leases described WNC is the freeholder of the land, CDNL is the Head Long Leaseholder and WNC is the Sub Long Leaseholder. This can be shown as follows:

5.29 Under the terms of the Main Site Lease, CDNL is required to remediate the HWRC site (as it forms part of the Main Site) to satisfy the remediation requirement. As NCC was not a party to the 2013 and 2014 lease agreements in relation to the Main Site and Running Track Leases, the HWRC lease places no obligations on WNC (as NCC's successor) to surrender or assign the HWRC Lease or allow access for remediation nor would the Council be required to give up its rights and as such CDNL may not be able to meet the remediation works requirement under the Main Site

Lease. There are also no plans or a desire on the part of the Council to relocate the HWRC. NCC was not consulted by NBC when it entered the Main Site Lease.

<u>The NTFC Stadium Lease and assignment of part to the Council (shown edged and hatched purple and red, respectively, on Plan 1)</u>

5.30 In April 2004 NBC granted a 150-year lease (the 'NTFC Lease') to NTFC on the adjacent Sixfields Stadium. The lease is not excluded from the security of tenure provisions of the Landlord and Tenant Act 1954. This means that unless WNC met certain conditions it could be renewed, at a commercial rent, at the end of its term. WNC is now the freeholder of this site and the landlord to NTFC. This lease originally included all the land now included in the Running Track Lease.

5.31 In September 2013 NBC took an assignment of part of the NTFC Lease, more specifically the Eastern half of the land covered by the Running Track Lease. This is now held by WNC (referred to as the 'WNC Leasehold'). For ease of reference, the remaining NTFC lease is referred to as the 'Stadium Lease'.

5.32 In terms of legal structure specifically relating to the running track site, WNC is the freeholder, CDNL has the residue of the 150 Running Track Lease and WNC (Eastern half) and NTFC (Western half) have the residue of the 150-year term originally granted under the NTFC Lease. It's understood that it was initially intended that NTFC would assign the whole of its interest in the running track land to NBC (effectively intended to operate as a surrender of NTFC's interest in the running track land) but in fact only the Eastern half was assigned. This can be shown as follows:

<u>Asset of community value</u>

5.33 The land comprised in the original NTFC lease (now the Stadium Lease and the WNC Leasehold), was registered as an asset of community value (AVC) by NBC on 27th February 2019. This was on application by the supporters' trust, which is a 'community interest group' for these purposes.

5.34 The operation of the ACV regime is set out in legal implications, below. Essentially it provides for a delay (moratorium), the length of which depends on whether a community interest group wishes to try and bid for the property, before a disposal can take place. This is intended to allow time for a community interest group to raise funds for make its own bid.

Due Diligence

5.35 In 2016 NBC commissioned Hydrock and Ian Farmer Associates to complete a substantial ground investigation report to enable it to better understand the scale of the remediation work needed to satisfy the remediation requirement to develop the site in accordance with the "Permitted Use" in the Main Site Lease. This permitted use links with the permitted use in the Clawback Deed as stated at 5.24 above. The scale of the required remediation works was considered to be extensive and raised concerns around the viability of the site for development.

5.36 For any proposal to be considered, robust and independent professional advice would be needed. In 2020, NCC, on behalf of the Shadow WNC appointed Lambert Smith Hampton (LSH) to provide external multi-disciplinary consultancy advice and, when required, a 'Red Book' valuation to enable WNC to evaluate relevant proposals and ensure best value obligations are met.

5.37 LSH was instructed to:

- Provide specific planning advice on development opportunities having regard to current and emerging planning policies. This ensured that the Council could evaluate (the value of) various development options based on the prevailing planning landscape.

- Utilise their internal agency teams to provide robust market position statements / assessments to consider potential future uses for the site and specifically considering those deemed to be the most viable, and those which would deliver the highest financial return to the Council.

- Utilise their internal cost consultancy team, to review the 2016 ground investigation reports and provide a professional assessment on the remediation costs needed to deliver a scheme in line with the permitted use. This would provide the Council with a robust understanding of one of the key variables effecting a residual development appraisal, allow it to apportion costs more accurately against alternative development options and also evaluate its impact against the assumptions in the Clawback Deed.

- Provide advice to the Council by carrying out viability assessments on various development options, building on the planning advice, and utilising the cost consultancy outputs to robustly assess the options against best consideration objectives (see below).

- Provide WNC with a formal "Red Book" valuation of the Council freehold interest in the site considering all the due diligence work undertaken by the Council.

5.38 Following receipt of LSH's viability advice, WNC held initial discussions with Bower and Thomas on potential disposal options. Any proposal would need to address best consideration objectives. It was also considered important that any disposal to CDNL rationalised the site tenure, and also supported the completion of the East Stand at Sixfields Stadium.

5.39 For the avoidance of doubt, the LSH viability assessments make no allowance or deduction for the cost of completing the stand. The approach taken was that this proposal is first and foremost a property transaction that needed to address the Council's best consideration objectives. However, through its landholdings WNC was keen to ensure, if possible, that the East Stand would be completed for the benefit of its residents.

5.40 For the avoidance of doubt, it is confirmed that LSH has given its consent for its valuation report to be published with this Cabinet Repot.

5.41 The LSH viability outputs (please refer to Appendix E) highlighted that the residential led scheme proposed under the Clawback Deed would not be viable given the remediation costs (estimated to be c£12.65m). LSH considered various alternative development options which have been summarised below.

- **Option 1** – Assumes the HWRC is retained with 80,500 sq ft of industrial/trade counter accommodation and an apartment development extending to 309 units.
- **Option 2** – Assumes that the HWRC is retained with 80,500 sq ft of trade counter/industrial development and an additional 132,925 sq ft of industrial/trade counter development.
- **Option 3** – Retains the HWRC with 80,500 sq ft of trade counter/industrial development and two distribution warehouse units extending to 114,690 sq ft and 53,110 sq ft respectively.
- **Option 4** – Assumes wholesale redevelopment with the HWRC moved with 146,000 sq ft of retail/leisure accommodation and two distribution warehouse units.

5.42 All these options produced negative land values. Such 'residual' viability assessments unavoidably use inputs which involve professional judgement but are nonetheless useful. In this case the assessment helped illustrate the significant challenges faced with this site and the impact that the required remediation works, and the ground conditions have on viability and value.

5.43 LSH, utilising its cost consultancy team, made relevant allowance for the scale of remediation costs required to deliver each option (industrial would be lower than residential, for example). It was, however, felt that a more comprehensive assessment would be required to refine the assessment parameters for each development option. Axiom Structures was therefore appointed to undertake a structural engineering feasibility report to provide a robust foundation solution for various options, building on the 2016 Ground Investigation surveys. The outputs were then considered by LSH's cost consultancy team and included within their viability assessments.

5.44 As the viability outputs for the 4 options produced negative land values, LSH also carried out a viability assessment having regard to land comparables. This assessment, based on the professional opinion of their agency team, suggested that pertinent industrial land values were in the range of £700,000 to £900,000 per acre. By adopting a rate of £900,000 per acre, and making allowances for reasonable abnormal costs, the potential value of the unencumbered freehold (assuming the freehold and various leasehold interests have been merged) would be approximately £2 million. This did not consider any payment required to the HCA to satisfy the provisions of the Clawback Deed or the division of value between the relevant freehold and leasehold interests. Once these deductions have been made, LSH indicated that their assessment of the value of the Council's freehold interest, excluding the HWRC site, was £865,000.

The Proposals

5.45 The Council has two proposals before it, as well as the options identified in Section 6. Below are listed the current and also a superseded proposal. Both the current offers were subject to an invitation to make 'best and final offers' by 5pm on 17th January 2022. The details below reflect the results of that process. A recent communication from Cilldara is also addressed below.

Conditional 5-year option to CDNL – *This proposal has been superseded (see below)*

5.46 The Council previously agreed provisional terms with CDNL for the disposal of the site. The broad terms of this agreement are set out below. This is the proposal that was discussed at the All Members Briefing and was included in a press release.

- A 5-year option of to purchase the Council's freehold interest.
- The HWRC land is excluded from the Option.
- CDNL agrees to surrender the Running Track Lease and the Main Site Lease to the Council.
- That the exercise of the Option agreement is conditional on the completion of the East Stand at Sixfields Stadium to the reasonable satisfaction of the Council.
- Subject to the conditions being met, CDNL will be able to acquire the freehold interest in the site for £890,000.
- The sale will be subject to an overage if the amount required to satisfy the provisions of the Clawback Deed is lower than that currently allowed for in the valuation assumptions. If such a situation were to arise, WNC is to receive 100% of any saving.

5.47 This offer is no longer under consideration but is included for completeness.

The Cilldara Limited proposal (Appendix B) – *Excludes the running track site*

5.48 Following media coverage, the Council received an unsolicited offer from Cilldara Limited for the freehold interest, but excluding the land covered by the Running Track Lease. The offer was originally for £1,800,000 but following the request for 'best and final offers' the offer was increased to £2,050,000.

5.49 The broad terms of this proposal are set out below.

- Contract for Sale with Cilldara Limited.
- Purchase price of £2,050,000.
- Sale is conditional on the Council exercising the April 2024 break option and providing Cilldara with vacant possession of the site.
- The HWRC Site is retained by the Council.

Revised CDNL sale proposal (Appendix A)

5.50 CDNL more recently revised its proposal for site following concerns raised by the Council regarding the assessment of best consideration on an Option proposal which sought to establish a sale price now for a transaction that may compete several years later and being aware of the proposal from Cilldara Limited. The proposal was confirmed and not varied in response to the request for ‘best and final offers’.

5.51 The broad terms of this proposal are set out below.

- Sale of the site to CDNL for £890,000.
- HWRC site to be retained by the Council.
- CDNL agrees to surrender the Running Track Lease and the Main Site lease to the Council.
- The Council will be granted an option to acquire the site for £1 if the East Stand at Sixfields Stadium has not been completed to the reasonable satisfaction of the Council within five years.
- The sale will be subject to an Overage if the amount required to satisfy the provisions of the Clawback Deed is lower than that currently allowed for in the valuation assumptions. If such a situation were to arise, the Council is to receive 80% of any saving up to £770,000.

5.52 It should be noted that the reduction in Overage proportion from 100% to 80% was proposed by the Council because it is more likely to produce a benefit to the Council if the new owner has an incentive to minimise the payment due to the HCA.

5.53 In addition, Bower and Thomas have given two assurances, that would be reflected in the legal agreements. These are:

- The East Stand will be completed before the land is developed.
- Following completion of the East Stand CDNL would transfer the freehold of the part of the Running Track site reasonably needed for the effective operation of the East Stand (such as car parking for the football club) to NTFC.

<u>Cilldara further proposal</u>

5.54 Following publication of the Council report on these matters Cilldara made a further proposal. This was to modify its offer such that it was no longer a commitment to acquire the land when the Main Site Lease had been ended, but rather to purchase it immediately.

5.55 Such a proposal has the attraction of a payment in the relatively short term, but it is problematic having arrived so late. The Council had already set up the Council and Cabinet meetings in order to take an informed decision, the Council report published, and the Cabinet report prepared.

5.56 The revised Cilldara proposal would also mean the main site lease would have two landlords. This is a complication which would need to be managed. The landlords would need to agree on matters relating to the lease, such as whether to exercise the break option, and each could also be liable for actions of the other. Thus, some form of agreement between them would be necessary. Whilst Cilldara has made proposals for the basis of such an agreement negotiating it would still take time and might not be possible to resolve.

5.57 In these circumstances there is a risk of losing the ability to secure the firm offer from CDNL, and a lack of certainty about reaching satisfactory agreement on the management issues with Cilldara. It could continue a cycle of revised offers resulting in no decision and thus no resolution of the site ownership or capital receipt. There is a real benefit in having the confidence that a consistent offer from CDNL is likely to run to conclusion. Such a benefit is one which the Council is entitled to take into consideration.

5.58 In any event, if it was to fully explore the revised Cilldara offer it would be necessary to delay the decision currently planned to be taken at Cabinet on 28th February.

5.59 For these reasons having considered the revised Cilldara proposal, it is not further explored in this report (except in legal implications, below). References to the Cilldara proposal below are thus to its form following the 'best and final offers' process.

6. Issues and Choices

Best consideration

6.1 The two proposals vary in the structure but also their deliverables. On the face of it, the Cilldara proposal offers the greatest financial return and exceeds the residual market value of the site as assessed by LSH.

6.2 When evaluating best consideration, it is important that both financial proposals are evaluated in context and taking account of the ways the proposals differ, including if they can ultimately be delivered. For the current proposals, there are five key differentials:

- Extent of site (the Cilldara offer does not include the running track site).
- Timing of capital receipt (under the Cilldara Proposal, the Council would not receive the sale proceeds until April 2024 at the earliest, and may receive nothing unless the Main Site Lease can be terminated).
- Homes England overage potential upside.
- Certainty of ending the Main Site Lease (also see above).
- Litigation risk.

Extent of Site

6.3 As highlighted earlier in this report, the CDNL proposal of £890,000 includes the running track whereas the Cilldara offer of £2,050,000 excludes the running track site. The exclusion of the running track site from the Cilldara Limited proposal is logical as the Council does not have the potential ability to break the Running Track Lease in the same way that it does with the Main Site Lease.

6.4 In terms of assessing the proposals on a "like for like" basis, the Cilldara Offer covers the main site only. The valuation report prepared by LSH indicated that the Market Value of the Council's freehold interest in the running track is £200,000. While this is not an exact science and is subject to several variables, if we consider this on a straight-line basis, this will mean that the CDNL offer from the main site is £690,000 compared to £2,050,000 from Cilldara, a potential "undervalue" (subject to the factors below) of £1,360,000.

Timing of Capital Receipt

6.5 The Cilldara proposal would not generate a capital receipt to the Council until April 2024 at the earliest. In practice, given the likelihood of litigation with CDNL over the Council's ability to break the Main Site Lease, the receipt is likely to be received later than that (assuming it was able to be received). The transfer of land to Cilldara would be most unlikely to complete until all litigation was concluded.

Certainty of ending the Main Site Lease

6.6 If the Main Site Lease remained in place, the Council would be unable to realise any value from the site, including the Cilldara offer. It the Council was unable to break the Main Site Lease then it may be possible that at some point in the future the Council and CDNL would reach an agreement to allow each of them to share in the value of the site. However, it cannot be known when this would be or the terms on which a settlement would be reached.

6.7 It is unknown if the Council would be able to break the lease from April 2024. Its ability to do so could be removed by two factors (a) CDNL carrying out remediation sufficient to fulfil the requirements of the lease, or (b) some other legal factor; whilst these other factors currently appear unlikely the nature of these factors is that they are often not seen in advance.

6.8 In terms of CDNL carrying out remediation works, Bower and Thomas have affirmed that they would do so if an agreement with the Council was not reached. The scale of remediation required is very hard to resolve without a detailed development scheme. This must therefore be considered a material risk.

Litigation cost, delay, and risk

6.9 CDNL is significantly invested in the site and the associated activities. If the Council proceeded with an alternative bid there would be a strong incentive for CDNL to challenge that decision. There are a number of ways in which the decision could be challenged. The complexity of the lease arrangements and the interaction of the provisions within the leases makes this situation very particular to these circumstances and makes it very difficult to be clear what the outcome would be if CDNL did bring a challenge. It is very unlikely that a challenge could be quickly and easily dismissed because of the complexities.

6.10 The opportunities for Cilldara, given they have no existing rights over the land, would be limited to a challenge of the decision. This risk is easier to manage particularly in relation to the length of any delay associated with a challenge.

Financial considerations summary

6.11 The two offers may be compared in cash terms as follows:

Offer	Area		Offered price	Price per acre
	m2	Acres	£	£
CDNL	84,566	20.90	890,000	42,590
Cilldara	69,966	17.29	2,050,000	118,573

6.12 Alternatively, if the LSH figure of a value of £200,000 for the Running Track Site is used, the figures for the Main Site only appear as follows:

Offer	Area		Offered price	Price per acre
	m2	Acres	£	£
CDNL	69,966	17.29	690,000	39,910
Cilldara	69,966	17.29	2,050,000	118,573

6.13 Additionally, the following financial factors should be considered:

CDNL		Cilldara	
Pros	Cons	Pros	Cons
Cash received immediately	Not highest cash offer.	Highest cash offer.	Dependant on achieving break of Main Site Lease. If the Council proceeds with Cilldara and it is not possible to terminate the Main Site Lease no capital receipt will be received, and the opportunity of a deal with CDNL might be lost.
No risk involved in securing end of the Main Site Lease (as deal would require CDNL to surrender this).	Litigation with Cilldara is possible. This may be expensive and protracted.	Some limited potential to profit from the eastern part of the Running Track site.	Cash received later, probably 2-3 years delay.
Some potential for additional income from arrangements with HE clawback (the Council would be entitled to 80%			There is a significant risk of litigation from CDNL which may be protracted and expensive, and the outcome is

CDNL		Cilldara	
Pros	Cons	Pros	Cons
of any saving from £770,000 in the clawback).			uncertain. The Council is not obliged to expose itself to that risk.
Council has the ability to repurchase the land for £1 if the East Stand is not completed within five years. (This is considered unlikely.)			

6.14 Both arrangements, if successful, would leave the Council with unfettered control of the HWRC site and adjacent land. With the CDNL deal the Council would also part with its interest in the running track site. The Cilldara deal would leave the Council with its freehold and leasehold interests in the running track site.

6.15 Overall, this suggests that the CDNL offer is to be preferred, on purely financial considerations. Whilst the Cilldara offer is theoretically higher, the substantial risk attached to receiving it mean it is likely to be in the Council's financial interests to proceed with the CDNL offer.

Local Government Act 1972: General Disposal Consent (England) 2003

6.16 Given the analysis above and the recommendation to proceed with the CDNL offer, it is not strictly necessary to consider the situation where the Council chooses to accept an offer below the best consideration reasonably obtainable, an 'undervalue'. However, this explanation is provided for completeness. For these purposes it is important to understand that the 'value' is a strictly financial or commercial value, not one concerning policy benefits the Council might seek.

6.17 Disposal of land at undervalues are controlled under Section 123 of the Local Government Act 1972. This requires that freehold disposals and all leasehold disposals of seven or more years in length must be on the best consideration reasonably obtainable, except where the Secretary of State consents otherwise. Under the General Disposal Consent (England) 2003, the Secretary of State has given consent to a disposal by a local authority at less than best consideration where the Council considers that the disposal will contribute to any one or more of the following objectives:

i) The promotion or improvement of economic well-being.
ii) The promotion of improvement of social well-being.
iii) The promotion or improvement of environmental well-being.

6.18 This is on the basis that the difference between the unrestricted value of the land to be disposed and the proposed disposal consideration does not exceed £2 million.

6.19 If the Council's decision was to constitute an undervalue, the Council would need to have reasonably satisfied itself that the undervalue would be less than or equal to the economic, social, and environmental wellbeing benefits offered by that proposal over and above those offered by the alternative.

6.20 Consideration has been given to the potential benefits of increased Council Tax and business rates that could be generated through the development of the site. While this is often a quantifiable assessment, there is no defined development scheme for with proposal and as such it is not possible to apportion and weight to one offer over the other. While it is possible to argue that a sale to CDNL would bring forward the additional development of the running track site, there are no contractual guarantees that this would happen, and conversely there is nothing to suggest that a possible sale to Cilldara would restrict or hinder CDNL from developing this site in isolation (subject to satisfying the terms of their lease) or in partnership with the Council.

6.21 Consideration has also been given to development timings and whether these would provide benefit. As the owners of CDNL are the same as NTFC, it is within their reasonable gift to bring forward the completion of the east stand. Once complete, CDNL would be able to bring forward the wider site for development. As Cilldara would need to wait for the lease to be broken in April 2024, it is reasonable to consider that CDNL would be best placed to bring the site forward for development sooner to enable the economic, social and environment benefits to be realised sooner. There is, of course, currently no guarantees on when the site will be bought forward for development under either offer.

6.22 Being in mind the Public Interest Report, the Cabinet should also note that:

- Even without the agreement over the land discussed in this report, NTFC may still decide to complete the East Stand. Thus, it cannot be assumed that the benefits of completion are dependent on acceptance of the CDNL offer.
- The Council does not have information from NTFC (or elsewhere) to quantify the likely economic or social benefits flowing from completion of the East Stand.
- Some, potentially much, of the employment and economic benefits of activity in the East Stand would be displacement from elsewhere in Northampton / West Northamptonshire rather than net additional benefit.
- NTFC runs at a significant annual loss, only sustained by funding from its owners, resulting in increasing debt. There is therefore no guarantee that any benefits which did arise from completion of the East Stand would be sustained. It would, however, appear to make it more likely.

6.23 However, these issues are not particularly significant in the context of the financial benefits of the CDNL offer at least matching those of the Cilldara offer. Essentially, from a decision-making perspective, the non-financial benefits are an added benefit to a decision which, although fairly marginal, is recommended on financial grounds alone.

6.24 The non-financial benefits and disbenefits can be summarised as follows:

CDNL		Cilldara	
Pros	**Cons**	**Pros**	**Cons**
Should make it highly likely the East Stand would be completed.	No guarantee that East Stand would be completed. (Although non-completion is considered unlikely.)		Reputational damage from having been seen to walk away from a deal which was more likely to secure the East Stand completion.
It should make it easier to deliver a cohesive development of the land to the east of the stadium.	Risk of adverse perception due to previous issues relating to previous deals relating to the land.		

6.25 In the table above no significance is given to either the development proposals from CDNL and Cilldara, or the identity of the owners (individual or corporate). This is because neither would be secured in the proposed agreement, and they could easily change.

<u>Alternative options</u>

6.26 Consideration has been given to the following alternative options.

- **Do nothing** – The Council could decide not to dispose of the site to either party at this time and not take action to end the Main Site Lease. This would be likely to result in the site remaining in no or low value uses, and would not rectify the complex legal position.

- **Dispose once the Main Site Lease has been ended** – The Council could decide not to dispose of the site to either party at this time. The site would remain burdened by the Running Track Lease and the Main Site Lease which would remain with CDNL. Any future development of the Main Site Lease area would be reliant on the Council exercising its option to break the Main Site Lease in April 2024 (or subject to a negotiation between the parties) and disposal of the property at that time. It is suggested that this would deliver an outcome like the Cilldara Limited proposal but may lead to a lower capital receipt being achieved if future offers are in line with the valuation rather than more, as the case is at present. Development of the Running Track Lease area would be likely to require agreement between the Council as freeholder, CDNL as leaseholder and NTFC and the Council as sub-leaseholders of their respective parts.

- **Market the site** – The Council could decide to market the site rather that seek to agree a disposal to either party. While this is an option, any such disposal would be subject to the Running Track Lease and, the Main Site Lease, and the Clawback Deed. As such it is likely to be of limited demand to the market or face similar challenges when assessing development options or reliance on Council action in relation to the break clause. The value in this site is maximised through an arrangement which would see the freehold and leasehold interest merged, however this occurs. Again, this would require the Council to be able to terminate the Main Site Lease (and if required the Running Track Lease).

- **Develop the site under Northampton Partnership Homes (NPH)** – NPH has provided a high level proposal for a housing-led development of the site. This has not been subject to financial analysis at this stage. It is therefore treated as a potential future decision flowing from the ‘do nothing’ option.

Assessment of options

6.27 It is helpful to consider each of these options in summary form.

6.28 Financial consideration are as follows:

Option	Pros	Cons
Do nothing	• No further investment required. • HE overage deed would come closer to expiring, meaning the Council could benefit from more of the development value when a decision to act was taken in the future.	• No receipt or income (except potential low income from WNC Leasehold of part of Running Track site). • The land would remain subject to a complex set of legal ownerships and restrictions.
Dispose following end of Main Site Lease	• Provide as clear as possible a position for WNC to secure the best overall value from the site. • Could allow the Council to pursue CDNL for the remediation costs (this might result in winding-up of CDNL and the Council thus also securing the unfettered freehold of the eastern part of the Running Track site).	• Current Cilldara offer may not be replicated, resulting in lower value. • Delay in receipt compared to CDNL offer. • Likely to face litigation costs and delay regarding the Main Site break clause. • May not be possible to break the Main Site Lease at all.
Market now		• Current Cilldara offer may not be replicated, resulting in lower value. • Delay in receipt compared to CDNL offer. • Likely to face litigation costs and delay regarding the Main Site break clause. • May not be possible to break the Main Site Lease at all.

6.29 Non-financial considerations are as follows:

Option	Pros	Cons
Do nothing	• No further action required. • Would retain the option of an NPH housing-led scheme in the future.	• The land is likely to remain unused or in low value uses; local plan and Enterprise Zone objectives not met.
Dispose following end of Main Site Lease	• Reduced potential for audit concern whether about the Council not having received the best consideration reasonably obtainable. • Reduced potential for reputational harm from it being perceived that a third party has profited at taxpayers' expense.	• Delay in securing development of the site.
Market now	• Reduced potential for audit concern whether about the Council not having received the best consideration reasonably obtainable. • Reduced potential for reputational harm from it being perceived that a third party has profited at taxpayers' expense.	

6.30 In the table of non-financial considerations, the 'reduced potential' items are included for completeness, but for the reasons given above it is considered a decision to dispose to CDNL on the proposed terms can be fully justified. Thus, the reduction would be from a low risk to an even lower one.

6.31 None of these alternative options appear preferable, whether on purely financial or on wider policy terms, to accepting the CDNL offer.

Further issues

6.32 The structure of ownerships are such that the following would be necessary to give effect to a decision to proceed with the CDNL offer:

- CDNL would give up the Main Site Lease and Running Track Lease.
- NTFC would give up the part of the Stadium Lease which overlapped with the Running Track Lease.
- The Council would give up the WNC Leasehold.

- The Council would transfer the freehold of the land edged red on Plan 2 to CDNL.
- CDNL would grant the Council the option to repurchase the land for £1 if the East Stand was not completed in time. A restriction would be entered at the Land Registry protecting this.

6.33 A range of legal mechanisms may be used to achieve these outcomes.

6.34 It is also possible some minor modifications to the western boundary of the Running Track site might be needed to ensure the whole stadium (as completed) remained within WNC freehold and NTFC leasehold (the Stadium Lease).

6.35 If the Council decided to proceed with the CDNL offer it would be necessary to trigger the ACV process. It seems unlikely any community interest group would be likely to raise sufficient funds to secure interest of the parties (NTFC, CDNL and WNC) in parting with their interests in the Running Track site, and the complex nature of the site and the legal interests in it mean it would also be impracticable. Therefore, it is unlikely any real decision about considering a community offer will arise. Should it do so it would be considered in the normal way.

6.36 The more practical effect of the ACV legislation is that there will need to be a delay of at least six weeks, and potentially around eight months, before it was possible to complete a legal agreement with CDNL and NTFC.

6.37 If the Council was to proceed with the CDNL or Cilldara offer, it would be necessary to obtain consent from HE under the Clawback Deed and Legal Charge (and ideally a release of the retained land from these). Whilst consent is expected to be forthcoming, it would doubtless take some time and would involve a number of legal processes.

6.38 The net effect of the issues, and the other legal processes required, is that it is likely to take between three and nine months to complete the transaction from the time the Cabinet decision becomes effective, provided all parties co-operate effectively and no unexpected issues arise.

7. Implications (including financial implications)

Resources and Financial

7.1 As stated above, WNC has conducted a significant amount of due diligence to ensure that the proposal put forward represents best value for WNC. As with any development site, determining value in the absence of a development scheme is particularly difficult and this supports the desire to robustly test not only the development potential of the site having regard to the expert market advice of LSH, but also to robustly test the valuation parameters that for a constituent part of the development appraisal.

7.2 In completing this transaction, each party would be responsible for meeting its own legal and surveyors’ fees.

Legal

Disposal of land

7.3 The Council would need to dispose of the land under the powers provided by Section 123 of the Local Government Act 1972. These require, in sub-section 2, that a disposal such as those contemplated here are made on the best consideration reasonably obtainable, except with the consent of the Secretary State. Case law has established that this means the best financial consideration so, for example, wider public benefits cannot be considered.

7.4 The Council is also bound by the provisions in the existing leases which give CDNL interests in the land. In assessing the value of each offer, the recommendation reflects the risks associated with termination of those rights. The assessment of the respective bids and the independent valuation is available as part the report.

7.5 A public authority does not have to use a tender or open marketing process in every case provided that it achieves a price that is consistent with its duties. This is often achieved (as in this case) by means of an independent valuation of the land.

7.6 The Council must also comply with the subsidy control provisions of Chapter 3 of the EU-UK Trade and Cooperation Agreement, as applied in UK law by Section 29 of the European Union (Future Relationship) Act 2020. (This provision is expected to be replaced in due course by the specific requirements of the Subsidy Control Bill currently being considered by Parliament.) Disposal of land at less the best consideration is a form of subsidy. Generally, subsidy is prohibited if it is likely to materially affect trade or investment between the UK and EU.

Public law considerations

7.7 In addition to the specific matters arising in relation to the land transaction every Council decision is subject to public law principles and the governance requirements of local government legislation.

7.8 In particular, the decision maker needs to follow the statutory requirements (including in relation to Section 123), follow other applicable procedural requirements and ensure that amongst other things the members of Cabinet consider all relevant considerations, no irrelevant considerations, provide reasons for the decision and do not make a decision which is unreasonable. It is also important that individual Members are clear that they approach the decision with an open mind and reach their decision based on the information presented to them.

Assets of community value

7.9 Chapter 3 of Part 5 of the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012 define ACVs and the processes for dealing with them. In essence, if the owner of an ACV proposes to dispose of it, they are required to notify the local authority which in turn makes this known. If a community interest group notifies the local authority within six weeks (the 'initial moratorium period') that it wishes to be considered as a potential bidder for the land than a further six-month period (the 'full moratorium period') starts. During the initial and, if applicable, full moratorium period the owner cannot sell the land except to a community interest group.

7.10 The ACV legislation does not place any other restrictions on disposal of ACVs, or require owners to consider bids from community interest groups. Once the moratorium period(s) have expired owners are free to dispose to whoever they wish.

7.11 There are a range of exemptions from the ACV regime, none of which appear to apply in this case.

7.12 In this case, it is complex to establish which leasehold and freehold interests are covered by the ACV moratoriums. It is therefore proposed that the Council itself gives notice and that CDNL and NTFC are also asked to do so. That way all interests in the Running Track site will have been declared and any concerned community interest group will have full information on what is proposed.

<u>Recent Cilldara offer</u>

7.13 As noted in the body of the report, Cilldara has recently updated its offer to make it unconditional. Whilst this has the potential to resolve some of the legal risks highlighted it also raises new complications which are detailed in the report and require time to consider. There is case law which deals with the consideration of late offers and based on that case law the Council is entitled to recognise the benefits of what is known as 'a bird in the hand' and the risks of preferring a higher offer, the detail of which is yet to be fully resolved. This is particularly the case when the Council has set out and made public its decision-making timetable. The Council must consider later offers but is entitled to take these matters into consideration in doing so and to reach a conclusion that the best offer for the Council is one which can confidently be taken to completion.

7.14 The risk of challenge, as summarised in paragraph 2.14, from either party persists and the outcome remains uncertain.

Risk

7.15 Risks have been considered throughout this process, as they affect each option in both positive and negative ways. The site, the legal arrangements and the options are all highly complex and require a balanced consideration of positive and negative risk factors.

7.16 In the absence of a defined development scheme, it is not possible to definitively determine value. To mitigate this risk, WNC has undertaken significant due diligence via its appointed consultant, LSH and as set out previously in this report. Based on these assessments, we can demonstrate that the proposal represents best consideration for WNC.

7.17 Consideration has also been given to the risk to best consideration posed by the presence of the Clawback Deed. As there is no defined development scheme, it is not possible to definitively determine the level of clawback (if any) that may be payable to the HCA. It is important to acknowledge that as part of their valuation advice LSH has made allowance for a potential payment to the HCA. If this payment were to come in lower, this would have a positive impact on value. In the case of the CDNL scheme, to mitigate this risk, the agreement would contain a provision where CDNL would be required to pass 80% of any saving to WNC. This would be further supported by a positive obligation on CDNL to actively negotiate a settlement with the HCA. (This does not apply to the Cilldara offer.)

Consultation

7.18 The Council has remained in contact with the NTFC Supporters Trust and has been open about the discussions for a potential sale of land to CDNL. The Trust has been given the previous extensive land condition report to help explain the challenges and complexity of the land. The Trust has also presented to members on its concerns with NTFC and any arrangements. While many of the points raised did not relate directly to the proposed terms set out here, this report and appendices do provide a response to the directly related questions about the risks and how the Council seeks to mitigate this.

7.19 NTFC has also, of its own volition, published and presented its plans for the stand development and opened this to public consultation and comment. It should, however, be noted that these may not fully represent the eventual outcomes.

Consideration by Overview and Scrutiny

7.20 The report has not been considered by the Overview and Scrutiny committee.

Climate Impact

7.21 Any of the options should be expected, over time, to result in development of the land. This development, including its climate impacts, would be managed through the planning system in the usual way. That said, development of urban brownfield land is likely to result in denser development in more accessible locations, and reduce the need for use of greenfield land, so on balance securing its development is likely to be beneficial in terms of the carbon emissions.

Community Impact

7.22 Either the CDNL or Cilldara proposal would, subject to various conditions being met, see the site sold for proposed future development. The site provides current benefit to the community through the provision of match day parking and housing a fun fair at various times.

7.23 Other than the aforementioned uses, the site does not provide any material community benefit and as such neither proposal is considered likely to have any significant adverse impact on the local community.

Communications

7.24 The proposals have been the subject of considerable media and public interest. Where possible the Council has been open about the issues involved and how it is dealing with them. That includes this report being presented for open discussion rather than in a closed session.

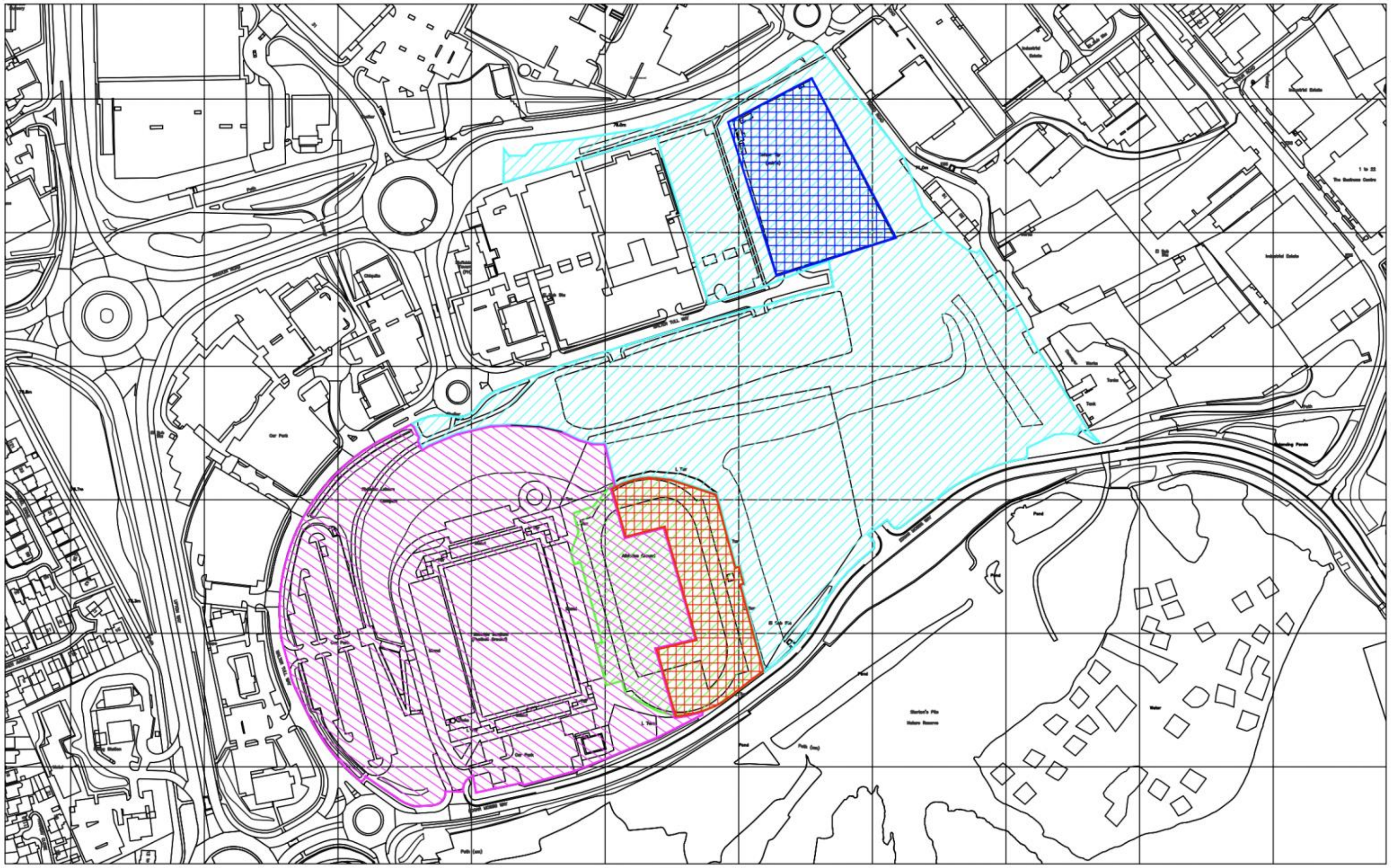
7.25 Going forward, it is likely that there will remain considerable interest in both the transaction itself and the things which flow, or are perceived to flow, from it. This would include works on the East Stand and development of the land proposed for disposal.

8. Background Papers

8.1 None

West Northamptonshire Council

Plan 1: Current leasehold interests



West Northamptonshire Council

Assets & Environment

KEY

- CDNL
- NTFC
- WNC (NCC)
- WNC (NBC)
- CDNL

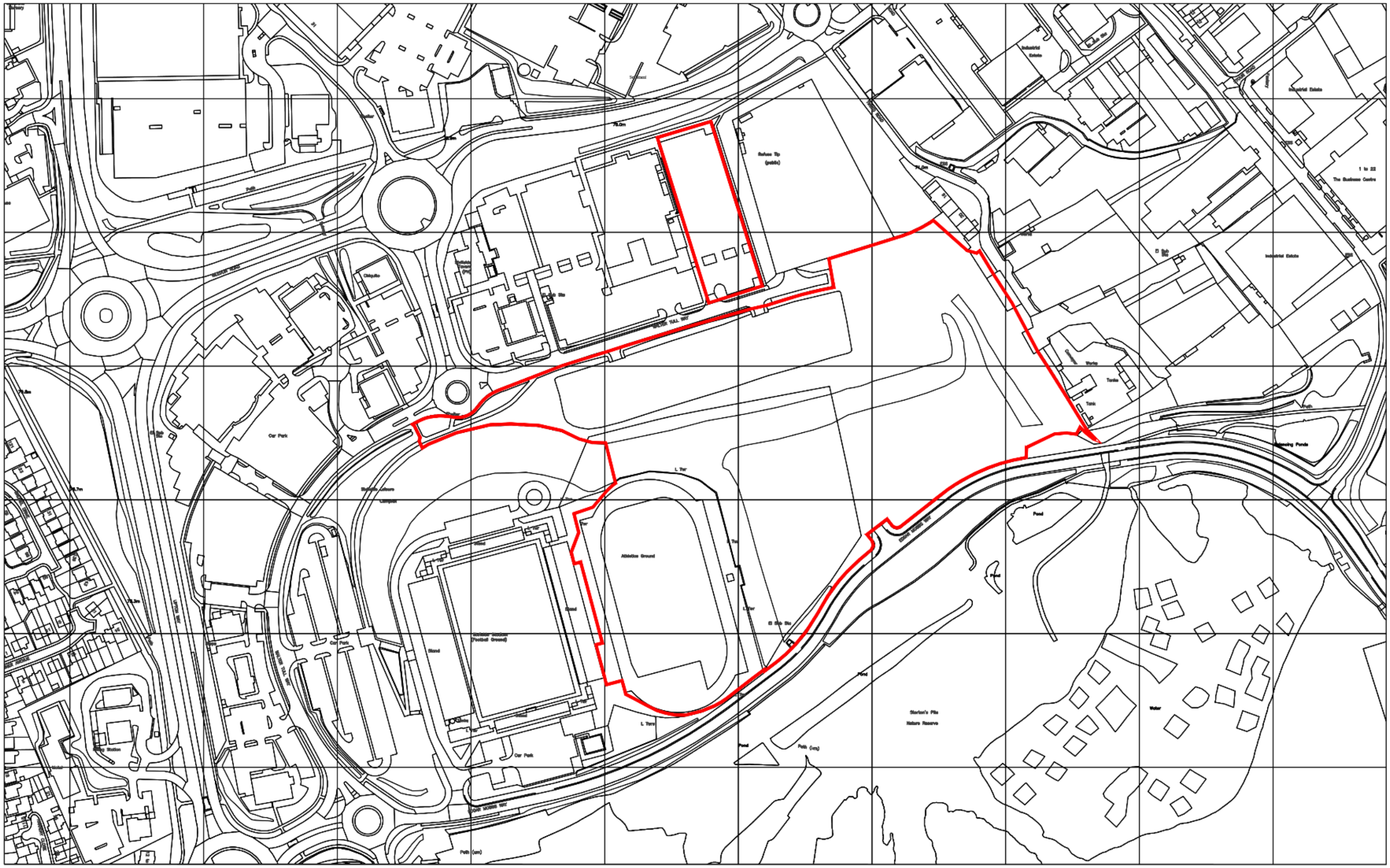
Title: Leasehold Interests - Land at Sixfields, Northampton

Scale: 1:3000 at A3

Date: 20th January 2022

Drg No: 002 v2

Plan 2: Proposed disposal boundary for CDNL offer



West Northamptonshire Council

Assets & Environment

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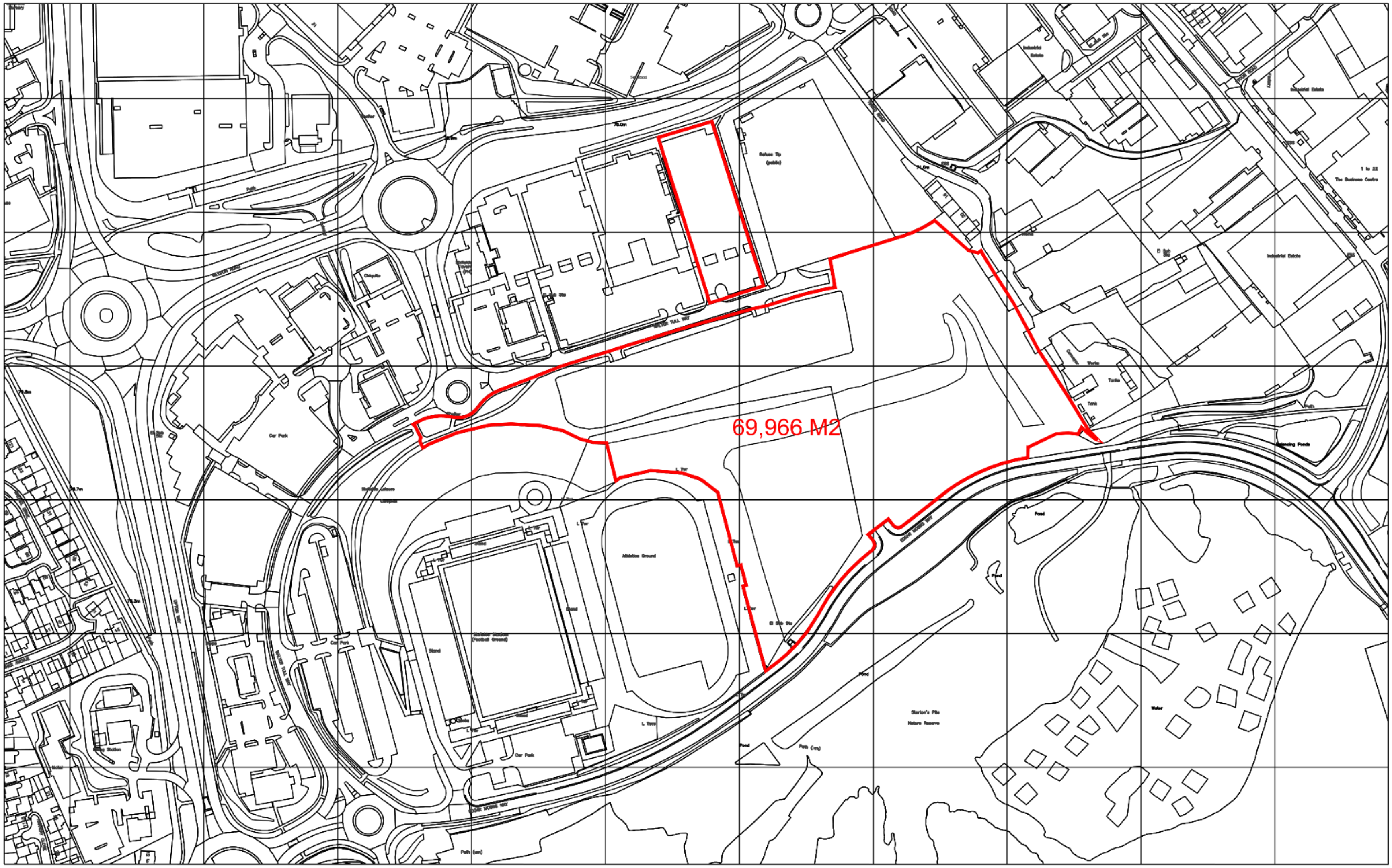
Title:	Sixfields Proposal Northampton
Scale:	1:3000 at A3
Date:	26th November 2021
Drg No:	012

Plan 3: Proposed disposal boundary for Cilldara offer



West Northamptonshire Council

Assets & Environment

Title:	Sixfields Proposal Northampton Area of all red lined land 69,966 M2
Scale:	1:3000 at A3
Date:	26th November 2021
Drg No:	013

West Northamptonshire Council

Appendix A – Heads of Terms for proposed sale to CDNL

Section 1 – The Property	
Property	Land at Sixfields Northampton Northamptonshire The extent of The Property is shown edged Red on the attached plan. The parties agree to complete a more detailed assessment as the matter progresses.
Section 2 – The Parties	
Seller	West Northamptonshire Council
Seller Address	One Angel Square 4 Angel Street Northampton NN1 1ED
Seller Contact	Assets & Environment West Northamptonshire Council One Angel Square 4 Angel Street Northampton NN1 1ED
Purchaser	County Developments (Northampton) Limited. Registered office: Willow House 2 Heynes Place Station Lane Witney OX28 4YN Company registration number: 08589683
Purchaser Address	Sixfields Stadium Edgar Mobbs Way Northampton NN5 5QA
Purchaser Contact	County Developments (Northampton) Limited Sixfields Stadium Edgar Mobbs Way Northampton NN5 5QA
Football Company	Northampton Town Football Club Limited

	Registered office: Sixfields Stadium Northampton NN5 5QA Company registration number: 00183917
Football Company Address	Sixfields Stadium Edgar Mobbs Way Northampton NN5 5QA
Football Company Contact	Northampton Town Football Club Limited Sixfields Stadium Edgar Mobbs Way Northampton NN5 5QA
Section 3 – General Definitions	
West Northamptonshire Council	The Statutory successor to Northampton Borough Council and the Property registered proprietor of the freehold estate in the Property and the registered proprietor of a leasehold interest in part of the Property, which part is registered under Title No NN320714
Running Track Lease	Lease dated 17th September 2013 made between Northampton Borough Council (1) and County Developments (Northampton) Limited (2) of that part of the Property shown on the plan attached to that lease, which lease is registered under Title No NN342005
Main Site Lease	Lease dated 11th April 2014 made between Northampton Borough Council (1) and County Developments (Northampton) Limited (2) of that part of the Property shown on the plan attached to that lease, which lease is registered under Title No NN329042
NTFC Lease	Lease dated 13th April 2004 made between Northampton Borough Council (1) and Northampton Town Football Club Limited (2) of Sixfields Stadium and part of the Property (originally comprising the whole of the running track. The NTFC Lease is registered with Title No NN248516.
Seller's Leasehold	The leasehold estate held by the Seller of part of the Property registered under Title No NN320714
HCA (Homes England) Clawback	Clawback Deed relating to land at Sixfields, Northampton dated 11th April 2014 and made between Homes and Communities Agency (1) and Northampton Borough Council (2)
East Stand	Means the East Stand of the Sixfields Stadium, Edgar Mobbs Way, Northampton, to as a minimum include: • 10 hospitality boxes

	• Boardroom area • Restaurant and bar areas • Kitchen area • Viewing area for spectators with disabilities • At least 300 additional seats • Classroom areas suitable for educational use for children and young people under the age of 18 on non-matchdays • Community use areas for non-match day use
Completed	Completed in accordance with all planning, building regulations and other statutory requirements and safety requirements and in accordance with the plans and specifications approved by the Seller (such approval not to be unreasonably withheld or delayed).
Section 4 – The Transaction	
Summary	The disposal of the Seller's freehold estate in the Property and the Seller's Leasehold in part of the Property by the Seller to the Purchaser for the Purchase Price. The sale shall be with vacant possession on completion. The simultaneous surrender of the Main Site Lease and the Running Track Lease by the Purchaser. The simultaneous surrender by the Football Company of that part of the Property as is still included in the NTFC Lease. The simultaneous grant by the Purchaser to the Seller of the Option to Purchase and the Legal Charge as set out below.
Purchase Price	£890,000 plus VAT (if applicable).
Option to Purchase	The Purchaser agrees in return for payment of an option sum of £1 to grant the Seller an option to acquire the Freehold interest in the Property for an option price of £1. This option can be exercised at any time after the expiry of a period of 60 months from and including the date of the transfer of the Property unless it is agreed or determined that the East Stand has been Completed. The Purchaser shall notify the Seller as soon as possible that it considers that the East Stand has been Completed. Any dispute as to whether or not the East Stand has been completed may be referred to an independent expert for determination.

	The Option to Purchase will also be protected by a restriction on title and shall be binding on the Purchaser and their successors in title. Within 20 working days of the date upon which it is agreed or determined that the East Stand has been completed the Seller will make an application to Land Registry to remove the restriction.
Existing Leases	The Purchaser and the Football Company agree with the Seller that the following will be surrendered simultaneously with the Purchase of the Property: • Running Track Lease • Main Site Lease. • The NTFC Lease (in relation to the part comprised in the Property only) The Purchaser shall be required to apply to Land Registry following completion of the disposal to merge the Seller's Leasehold into the freehold estate in the Property.
HCA (Homes England) Clawback and Other Conditions	1. The Purchaser and the Seller agree that the Seller will need to satisfy the engagement obligations because of part of the site being listed as an Asset of Community Value (ACV) registration under the provisions of the Localism Act 2011. 2. The disposal of the Property shall be subject to the Homes England Clawback and all its terms in so far as such terms relate to the Property. 3. On completion the Purchaser shall enter a direct covenant and legal charge with Homes England in relation to the Property as required by the terms of the Homes England Clawback. 4. From and including the date of disposal of the Property the Purchaser shall be responsible for satisfying all obligations pursuant to the Clawback Deed in relation to the Property and the Purchaser shall indemnify the Seller against all liability in relation to such obligations. 5. The Purchaser and the Seller agree to seek to resolve any issues with the Clawback Deed (which may require a deed of variation) and the HCA's existing legal charge over part of the Property to ensure that the Seller is able to obtain HCA consent to dispose of the property and has no liability for any

	clawback due under the Clawback Deed in relation to the Property. 6. The Seller, the Purchaser and the Football Company agree that the NTFC Lease will be varied so as to ensure that, post-sale, the NTFC Lease only demises land retained by the Seller. The detailed process is to be agreed between the parties. 7. The Football Company will enter into such deeds and documents as may be necessary to enable the Seller's Leasehold to be merged into the Purchaser's freehold estate in the Property following completion of the disposal of the Property to the Purchaser 8. The Seller is to grant the Purchaser a right of way across those parts of Walter Tull Way that do not currently form part of the Highway maintained at public expense (the adopted highway) and that are required to provide access to the Property and subject to the Purchaser paying a fair and reasonable contribution to the maintenance of the road (where applicable)
Seller Legal Charge	The Seller is to be granted a First Legal Charge over the Property to secure the Clawback Overage obligations (see below) of the Purchaser (see note * below)
Clawback Overage	It has been agreed between the parties that if, following negotiations the sum payable in satisfying the Homes England) Clawback is less than £770,000 (plus VAT where applicable), the Purchaser or their successor in Title is to pay 80% of this saving to the Seller. This above provision shall only apply if the amount to settle the Homes England Clawback has been triggered prior to the Option to Purchase referred to above being exercised by the Seller. The Purchaser or their successors in Title will be required to use all reasonable endeavours to minimise the sum payable in satisfying the HCA (Homes England) Clawback and provide evidence of those discussions to the Seller on request.
Legal Costs	Each party is to bear their own legal costs incurred in this transaction.
Section 5 – Other Conditions	
Seller Conditions	Subject to Contract

	Subject to Cabinet, Cabinet Member, Delegated Authority (as appropriate) or any other statutory process that may be required to complete the transaction Subject to the Seller complying with the requirement of the HCA (Homes England) Clawback Deed and Legal Charge. Subject to the Seller taking advice in relation to the SDLT / VAT implication of this transaction (and its component parts)
Purchaser Conditions	Subject to the Purchaser taking advice in relation to the SDLT / VAT implication of this transaction (and its component parts)
Section 6 – Legal Advisors	
Seller Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Purchaser Solicitors	Bower Bailey Anchor House 269 Banbury Road Summertown Oxford OX2 7JF

(Personal information has not been included in this copy.)

Note *: Whilst a first (i.e. highest priority) legal charge is proposed, the existing Homes England charge would outrank it unless Homes England agreed otherwise (which is unlikely), meaning that it would actually be a second legal charge. This is not a particular concern given the context.

Appendix B – Heads of Terms for proposed sale to Cilldara

Section 1 – The Property	
Property	Land at Sixfields Northampton Northamptonshire The extent of The Property is shown edged Red on the attached plan. The parties agree to complete a more detailed assessment as the matter progresses.
Section 2 – The Parties	
Seller	West Northamptonshire Council
Seller Address	One Angel Square 4 Angel Street Northampton NN1 1ED
Seller Contact	Assets & Environment West Northamptonshire Council One Angel Square 4 Angel Street Northampton NN1 1ED
Purchaser	Cill Dara Group Holdings Limited
Purchaser Address	The Mill 1 High Street Henley in Arden B95 5AA
Purchaser Contact	The Mill 1 High Street Henley in Arden B95 5AA
Section 3 – General Definitions	
West Northamptonshire Council	The Statutory successor to Northampton Borough Council and the Property registered proprietor of the freehold estate in the Property.
Main Site Lease	Lease dated 11th April 2014 made between Northampton Borough Council (1) and County Developments (Northampton) Limited (2) of that part of the Property shown on the plan attached to that lease.

HCA (Homes England) Clawback	Clawback Deed relating to land at Sixfields, Northampton dated 11th April 2014 and made between Homes and Communities Agency (1) and Northampton Borough Council (2)
Section 4 – The Transaction	
Summary	The disposal of the Seller's freehold estate in the Property by the Seller to the Purchaser for the Purchase Price. The purchase is conditional on the Seller breaking the Main Site Lease in April 2024
Purchase Price	£2,050,000 plus VAT (if applicable).
Deposit	The Purchaser is to pay a non-refundable deposit equating to 5% of the Purchase Price on agreement of the Heads of terms and the respective solicitors being instructed. This deposit is only repayable to the Purchaser if the Seller withdraws from the sale through no fault of the Purchaser.
Completion Date	The later of • 20 Days after the vacant possession of the site has been obtained (if earlier than the break date) • 20 days from the break date (April 2024) stated within the Main Site Lease • 20 days after the date at which any legal challenge to the Sellers break notice has been satisfied.
HCA (Homes England) Clawback and Other Conditions	1. The lease Seller agrees with the Purchaser that prior to completion of the purchase of the Property, the break clause with effect from April 2024 contained in the Main Site Lease will be exercised and will be free from legal challenge (where applicable) 2. The disposal of the Property shall be subject to the Homes England Clawback and all its terms in so far as such terms relate to the Property. 3. On completion the Purchaser shall enter a direct covenant and legal charge with Homes England in relation to the Property as required by the terms of the Homes England Clawback. 4. From and including the date of disposal of the Property the Purchaser shall be responsible for satisfying all obligations pursuant to the Clawback Deed in relation to the Property and the Purchaser shall indemnify the Seller against all liability in relation to such obligations.

	5. The Purchaser and the Seller agree to seek to resolve any issues with the Clawback Deed (which may require a deed of variation) and the HCA's existing legal charge over part of the Property to ensure that the Seller is able to obtain HCA consent to dispose of the property and has no liability for any clawback due under the Clawback Deed in relation to the Property. 6. The Seller is to grant the Purchaser a right of way across those parts of Walter Tull Way that do not currently form part of the Highway maintained at public expense (the adopted highway) and that are required to provide access to the Property and subject to the Purchaser paying a fair and reasonable contribution to the maintenance of the road (where applicable)
Legal Costs	Each party is to bear their own legal costs incurred in this transaction.
Section 5 – Other Conditions	
Seller Conditions	Subject to Contract Subject to Cabinet, Cabinet Member, Delegated Authority (as appropriate) or any other statutory process that may be required to complete the transaction Subject to the Seller complying with the requirement of the HCA (Homes England) Clawback Deed and Legal Charge. Subject to the Seller taking advice in relation to the SDLT / VAT implication of this transaction (and its component parts)
Purchaser Conditions	Subject to the Purchaser taking advice in relation to the SDLT / VAT implication of this transaction (and its component parts)
Section 6 – Legal Advisors	
Seller Solicitors	Browne Jacobson LLP Mowbray House Castle Meadow Road Nottingham NG2 1BJ
Purchaser Solicitors	Lodders Solicitors Elm Court Number Ten Arden Street Stratford Upon Avon

	CV37 6PA

(Personal information has not been included in this copy.)

Appendix C – Lambert Smith Hampton Initial Viability Assessment Report

Appendix D – Lambert Smith Hampton Red Book Valuation Report

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www.lsh.co.uk

Report

On

Viability Modelling
in relation to:-

Land at Sixfields
Northampton

on behalf of

West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

Prepared by:

Lambert Smith Hampton
Interchange Place
Edmund Street
Birmingham
B3 2TA

Tel:	0121 236 2066
Date:	30 September 2021
Ref:	NBMDWVAV

Lambert Smith Hampton

30 September 2021

T +44 (0)121 236 2066
www.lsh.co.uk

Lambert Smith Hampton
Interchange Place
Edmund Street
Birmingham
B3 2TA

West Northamptonshire Council
One Angel Square
Angel Street
Northampton
NN1 1ED

For the attention of: James Aldridge BSc (Hons) MRICS, Group Asset Manager

Our Ref: NBNXOVAT0127

Dear Sirs

CLIENT: WEST NORTHAMPTONSHIRE COUNCIL

PROPERTY: LAND AT SIXFIELDS, NORTHAMPTON

Thank you for the recent instructions to provide informal viability advice in respect of the above property.

Please note that advice does not accord with the minimum reporting requirements of the Royal Institution of Chartered Surveyors Valuation Standards – Red Book Global and consequently this does not constitute a formal Red Book valuation in accordance with these Standards.

We have been provided with previous development plans and survey evidence by West Northamptonshire Council which we have relied upon for the purposes of providing this advice. We have relied upon previous site surveys and cost estimates which have been updated as part of this exercise.

Location:

The town is located in the centre of the county approximately 50 miles south east of Birmingham, 65 miles north of London with the surrounding towns of Wellingborough (12 miles to the north east), Kettering (17 miles to the north), Milton Keynes (18 miles to the south), and Bedford (21 miles to the south east).

Northampton is located adjacent to junctions 15, 15a and 16 of the M1 motorway. The A43, the A508 the A45 provide access to the M40 and to the A14 respectively. The town railway station has recently been redeveloped. The town is on the London (Euston) to Birmingham (New Street) with connections to the north west and to Scotland.

The town is within easy reach of major international airports at London (Heathrow), London (Luton), London (Stansted), Birmingham International and East Midlands.

The property is located adjacent to Sixfields football stadium to the west of Northampton town centre and within easy reach of the M1 motorway to the west. The property largely comprises undeveloped land arranged across a split level site with upper and lower plateaus. The immediate surrounds comprises the Sixfields football stadium, home to Northampton Town Football Club, and the Sixfields leisure development where occupiers include Cineworld, Nuffield Health, KFC, McDonalds, Bella Italia, Fire Jacks and Taco Bell.

Located on the opposite side of Weedon Road is Sixfields Retail Park occupied by Poundland, Boots, Tui, Next and Costa together with Lidl and Sainsburys foodstores. To the west is established commercial / industrial development including a Wickes DIY store, Matalan and a number of car showrooms.

Description

The property comprises undeveloped land extending to approximately 10.01 hectares (24.74 acres. The topography is uneven with fairly significant changes in levels resulting in an upper plateau and a lower plateau.

The upper plateau is accessed of and located either side of Walter Tull Way and extends to approximately 5.18 hectares (12.80 acres) and includes a Household Waste Recycling Centre and adjacent car park, and a surfaced yard / car park currently occupied by a funfair until May 9th. The Household Waste Recycling Centre and adjacent car park extend to approximately 2.34 hectares (5.77 acres) with the remainder extending to approximately 2.84 hectares (7.03 acres).

The lower plateau fronts Edgar Mobbs Way and extends to approximately 4.83 hectares (11.94 acres). The land includes a former running track with the developable area (excluding the proposed / ongoing stadium works) extending to approximately 1.46 hectares (3.61 acres). The lower plateau includes a fairly large embankment reducing the net developable area to approximately 3.81 hectares (9.41 acres). The running track itself is at a lower level to the remainder of the lower plateau although we have assumed that this will be addressed through the proposed enabling works.

The total abnormal and enabling works associated with ground works and remediation have been estimated at £12,650,000 on the basis that the Household Waste Recycling Centre is relocated and £10,030,000 on the basis it is retained.

Tenure

The property is owned freehold by West Northamptonshire Council (WNC) but subject to three long leasehold interests together with a Homes England Clawback Deed.

The main part of the site is held by County Developments (Northampton) Limited (CDNL) on a lease dated 11 April 2014 for a term of 150 years expiring 10 April 2164. The annual rent is one peppercorn which is not subject to review.

The lease terms are very restrictive. The tenant is required to carry out investigatory and remediation works to facilitate the development of 300 houses and 85,000 sq ft of retail and it appears that if they have not done so, then the landlord is able to terminate the lease on 10 April 2024. These requirements align with the Homes England Clawback Deed base scheme.

The lease is drawn on full repairing and insuring terms. The tenant is not able to assign or sublet the whole or part of the property, except in respect of underlettings for leases and licences that are defined under the existing use.

The tenant and any underlessee of the tenant shall not use the property for any purpose other than the permitted use, which is defined as the existing use, being a household waste recycling centre, study centre, funfair and car parking facilities for Sixfields, investigatory works and remediation works including any physical microbiological and other recognised methodologies of completing works necessary to either reduce the negative impacts, remove or eliminate the levels of contamination of the land on the property or any part of it to reduce risks to human health and to the environment and to comply with the requirements of any statutory or regulatory body.

The lease does not appear to allow any dealings or permit any form of development.

The smaller part of the site known as the running track is also held by CDNL under the terms of a lease dated 17 September 2013. The lease is drafted on a FRI basis for a term of 150 years expiring 16 September 2163. The annual rent is one peppercorn and again the lease terms are fairly restrictive.

The tenant is not permitted to assign the whole of the lease. A mortgagee in possession may assign the lease but not without the consent of the landlord, such consent not to be unreasonably withheld. Neither the tenant nor its mortgagee in possession shall assign part only.

The tenant shall not underlet the whole or part of the property whilst it remains in the existing use, which is defined as for sports use including athletics.

If the property is developed for any non-sport uses permitted by the lease, the tenants may grant sub-leases of parts consistent with the form of alternative development of the property subject to first obtaining the landlord's consent (not to be unreasonably withheld) to the form(s) of sub-lease proposed to be granted as part of the development and subject to providing such information as the landlord may reasonably require in respect of each sub-lease created.

The tenant and any underlessee of the tenant shall not use the property for any purpose other than the existing use and for the purpose of investigatory works, provided that a mortgagee in possession of the interest granted or a lawful assignee of the tenant's leasehold interest shall be entitled to use the property for the permitted use.

The tenant shall not permit the property to be vacant for any time. The landlord may waive (at its discretion but acting reasonably) this requirement if it is the opinion that the property will be occupied for the proposed use of the property (other than ancillary investigative works) by 31 December 2019.

Whilst the lease does not require the tenant to remediate the site, it does not appear to permit the tenant to develop the site.

The leasehold interests all appear to be linked to a contract for the sale dated 13 September 2013 of the freehold land with vacant possession conditional on planning consent which would have seen the freehold title transferred to the leaseholder and would have allowed the leaseholder (as freeholder) to develop the property. The contract for the sale was, however, surrendered and the freehold sale to CDNL did not proceed.

The title is also subject to a Clawback Deed dated 11 April 2014 which entitles Homes England (formerly Homes and Communities Agency) to 50% of the increase in value of the proposed development above the value of the permitted use development of up to 300 dwellings for open market sale (Use Class C3), and up to 85,000 sq ft of net lettable area of retail floor space within Use Classes A1-A5 as defined in the Town and Country Planning Act (Use Classes) Order 1987, as amended, subject to a minimum value of £1.00.

In addition, the Household Waste Recycling Centre is let to Northamptonshire County Council (now vested in WNC) for a term of 125 years commencing 1 February 1994 at a rent of one peppercorn.

It is our understanding of the above that the tenant is required to remediate the site to a standard suitable for a development of 300 dwellings and 85,000 sq ft of retail accommodation. This has been costed at £12,650,000. Furthermore, the Household Waste Recycling Centre is subject to a long lease where vacant possession in order to complete the remediation works cannot be secured other than by way of negotiation.

The tenure is complex and we recommend that your solicitors review the above to confirm the position.

Town Planning

We attach as Appendix 1 a planning report prepared by LSH. The emerging policy appears to support employment use development which is reinforced by the proposed Enterprise Zone status. Other uses may be possible but it would need to be demonstrated that they were compatible with existing uses and policies, along with justification for the loss of employment land

Lambert Smith Hampton

Development Options

We have been provided with previous plans which we have utilised to test the viability of a number of development proposals, in addition to the proposed use of 300 dwellings and 85,000 sq ft of retail accommodation within the Clawback Deed.

Whilst planning policy appears to favour employment use development, which also appears most suitable to the location, in accordance with your instructions we have viability tested a mix of uses.

To test the viability of the site we have prepared development appraisal of the following five potential schemes.

- **Option 1** – assumes the household waste recycling centre is retained with the remainder of the upper plateau creating 80,500 sq ft of industrial/trade counter accommodation. The lower plateau provides apartment development extending to 309 units, providing a gross internal floor area of 277,173 sq ft with an aggregate net sales area of 239,477 sq ft.

- **Option 2** – assumes that the household waste recycling centre is retained with the upper plateau again accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating 132,925 sq ft of industrial/trade counter development.

- **Option 3** – retains the household waste recycling centre with the upper plateau accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating two distribution warehouse units extending to 114,690 sq ft and 53,110 sq ft respectively.

- **Option 4** – assumes wholesale redevelopment with the household waste recycling centre moved with the upper plateau accommodating 146,000 sq ft of retail/leisure accommodation with the lower plateau accommodating the two distribution warehouse units. Our appraisal does not allow for the costs of acquiring or relocating the Household Waste Recycling Centre.

- **Option 5** – retains the household waste recycling centre but assumes that the upper plateau accommodates 85,000 sq ft of retail accommodation with the lower plateau accommodating 300 residential units in accordance with the Homes England Clawback Deed.

We have assumed 100% market housing with no allowance for affordable housing or any other Section 106 contributions. We have included CIL which is payable on both retail and residential development. The policy requirement for affordable housing is 35% provision subject to viability. The inclusion of any affordable housing will simply increase the deficit. The Homes England Clawback Deed specifies up to 300 homes for open market sale and our approach is therefore consistent with the Clawback Deed.

We attach as Appendix 2 a Cost Plan prepared by LSH. We have been provided with previous site surveys and cost estimates by West Northamptonshire Council which have been updated as part of this exercise. The cost plan provides an estimate of potential construction costs in respect of the enabling works, with and without the removal of the household waste recycling centre, together with build costs, inclusive of contingency and professional fees in respect of the various forms of assumed development.

We attach as Appendix 5 a Structural Engineering Feasibility Report prepared by Axiom Structures which has informed the LSH cost plan in respect of the foundation solutions.

Market Commentary

We attach as Appendix 4 our Market Commentary.

Lambert Smith Hampton

Options Appraisals

Our development appraisals of the five development scenarios are attached as an appendix to this report. In undertaking our appraisals we have relied upon the cost estimates, which are inclusive of contingency and professional fees, together with the following appraisal assumptions:

Gross Development Value	Residential – £270 per sq ft Trade Counter / Industrial – Average rent of £9 per sq ft capitalised off a yield Larger Distribution Warehouse – Rent of £7.25 per sq ft capitalised off a yield of 5%. Smaller Distribution Warehouse – Rent of £7.25 per sq ft capitalised off a yield of 5%. Retail – Rent of £15 per sq ft capitalised off a yield of 8%.
Rent Free Incentives	Trade Counter / Industrial – 6 months Larger Distribution Warehouse – 12 months Smaller Distribution Warehouse – 9 months Retail – 24 months
Purchaser's Costs	6.8%
Development Period	Lead-in period – 18 months to secure planning and undertake enabling works Construction programme Residential – 56 months Trade Counter / Industrial – 12 months Distribution Warehouse – 12 months Retail – 24 months Letting Period Trade Counter / Industrial – 6 months Distribution Warehouse – 6 months Retail – 12 months Sales Period Residential – 56 months commencing after 12 months of construction programme Trade Counter / Industrial – on practical completion Distribution Warehouse – on practical completion Retail – on practical completion
Site Enabling Works	Options 1, 2, 3 & 5 - £10,030,000 Option 4 - £12,650,000
Building Costs	As per cost plan
Contingency	Included in construction cost estimate
Professional Fees	7%-8% included in construction cost estimate
CIL	Residential - £65.23 per sq m Retail - £130.47 per sq m
Marketing Costs	Residential – 1% of GDV Commercial - £20,000 - £50,000
Letting Costs	Agents fees 15% Legal fees 5%
Disposal Costs	Agents fees 1% Legal fees 0.5%
Finance Costs	6% interest

Our target rate of developer's profit varies depending on the risk profile of each development scenario. Our target rate of return, together with the residual land value for each development scenario is detailed below:

Option	Profit	Residual Land Value
Option 1	20% on GDV	(£20,615,099)
Option 2	12.5% on GDV	(£23,017,024)
Option 3	12.5% on GDV	(£16,855,982)
Option 4	15% on GDV	(£28,958,101)
Option 5	20% on GDV	(£23,468,859)

We have also undertaken a sensitivity analysis attached to the rear of our development appraisals based on movements in construction cost of up to 15%, movements in rent of up to £0.50 per sq ft and movements in yield of up to 0.50%.

Our residential appraisals assume 100% market homes with no affordable housing or Section 106 contributions, the inclusion of which will further negatively impact the viability position. We have also not included any costs associated with the acquisition and relocation of the Household Waste Recycling Centre.

In addition the leases to CDNL do not appear to permit development with the leases arguably too short from a development perspective and the Clawback Deed will need addressing.

Conclusions:

The tenure is complex with the added complication of a Clawback Deed. Whilst a substantial opportunity this is clearly a challenging development site with significant abnormal development constraints. All 5 development scenarios demonstrate significant viability deficits.

The industrial / trade counter scheme with the inclusion of larger distribution warehouses generates the smallest deficit and this sits comfortably with current market sentiment. We also consider the location to be most suited to employment use development which is also supported by planning policy.

Notwithstanding the fact that our appraisals are demonstrating significant viability deficits industrial appraisals are always difficult align to with land transactions and values established by transactional evidence. Developers will value engineer and deliver buildings at significant cost savings and build in growth when forecasting receipts. The industrial market is very popular with fierce competition for sites which continues to drive values. Even for more challenging sites developer interest remains strong and developers are aware that they will need to bid at a certain level driven by land comparable transactions in order to be competitive.

As previously explained prime industrial land values within Northampton are considered to be £800,000 per acre to £1,000,000 per acre for locations close to the M1 motorway with values falling off slightly moving into Northampton.

Ignoring the Household Waste Recycling Centre the net developable area of the site is approximately 6.65 hectares (16.44 acres). There are abnormal remediation/enabling works estimated at £10,030,000 together with abnormal costs in respect of foundations and external works totalling £4,740,000 in respect of the most viable Option 3.

Adopting a land value of £700,000 per acre to £900,000 per acre produces a gross value of £11,508,000 which after deducting the abnormal development costs of £14,770,000 reduces the deficit to -£3,262,000, at £700,000 per acre and generates a positive land value of £26,000 based on £900,000 per acre.

It is also possible that the costs of the enabling works could be reduced for an employment use scheme although intrusive site investigations would be required to provide greater certainty in this regard. As previously explained developers will value engineer all aspects of a development scheme and should a saving of 20% be achieved on the enabling works, which isn't considered inconceivable, then this would increase the land value to £2,032,000 at £900,000 per acre. The potential availability of grant funding should also be explored.

We can't explicitly allocate the cost saving which could only be achieved through a value engineering exercise as further due diligence, which is likely to involve further intrusive site investigations, and ultimately a competitive tender process for the works, is required.

The enabling works relate to highways works, remediation and earth works which will be required for all options and in the absence of further due diligence it is difficult to differentiate between the uses. The Structural Engineering Feasibility Report from Axiom Structures confirmed that there was a moderate to high risk of ground gases which required further testing, but without physical investigations they advised that gas membranes and ventilation systems with suspended slabs to ground floors in both residential and all industrial buildings should be allowed for at this stage.

Therefore based on current information all enabling works would be required for all options.

There is an area to the north of the site on the upper plateau containing the existing recycling centre which is excluded from most of the options but included in Option 4. Under this option remediation works have been pro rata'd to account for this area hence the total enabling works are higher for this option.

We have obtained an indicative cost and timeframe for undertaking further intrusive site investigations as a due diligence exercise building on the original site investigation work. The field work, analysis and preparation of a report would take approximately 3 months with a budget cost of £30,000. Following this an engineer would need to review the site investigation report and prepare a scope of works for the required remediation, ground and enabling works which would then need to be costed. The valuations would then need to be revisited based on the updated costs. Sensibly we would estimate a further cost of £30,000 and a timeframe of 2 to 3 months. In total therefore a budget of £60,000 and timeframe of 5 to 6 months is considered appropriate.

If a completely fresh exercise was required then the cost is likely to increase to approximately £80,000 to £90,000 with an extended timeframe of 1 to 2 months. It is unlikely that the ground conditions have changed significantly and therefore there is no guarantee that a new site investigation exercise would result in any cost savings.

It should also be noted that we are experiencing significant construction inflation which has now accelerated from materials into labour and transport costs. This could increase over the coming months.

Given the complexities and variables associated with a development of this nature, and the value engineering that can be undertaken by developers, it is not unreasonable for any disposal to contain an overage provision which can be linked to the implemented planning scheme and the actual costs of the development.

As indicated at £900,000 per acre and assuming a 20% saving on the abnormal development costs the site value of £2,032,000 equates to £123,610 per acre net. The property could potentially be used for open storage or car park type uses that wouldn't involve wholesale redevelopment and could generate a reasonable level of income and value. Whilst some works would be required, such as surfacing, fencing, and lighting rental values of £30,000 to £40,000 per acre per annum could be achievable for open storage uses. On this basis a value of £123,610 per annum doesn't appear unreasonable.

The above assumes merged freehold and leasehold titles which are currently in separate ownerships and subject to on-going discussions and gross of any costs associated with merging the titles. The above is also gross of any potential clawback payment to Homes England which as previously stated will need addressing.

The impact of the restrictive user clauses within the long leasehold titles and the presence of the break clause in April 2024 in the absence of the tenant undertaking the required remediation works are also very relevant and should factor heavily in any negotiations.

This is a high level viability appraisal modelling exercise to inform discussions with further due diligence and market testing envisaged. As previously stated it is not to be considered a Red Book valuation. We have relied upon previous development plans and survey evidence provided by WNC.

We trust the above is sufficient for your purposes but please do not hesitate to contact me should you require anything further.

Yours faithfully

M. Weller

Mark Weller BSc (Hons) MRICS
RICS Registered Valuer
Director
For and on behalf of
LAMBERT SMITH HAMPTON

APPENDIX 1

PLANNING REPORT

Sixfields Northampton Planning Report

NN5 5QA

Planning History:

Map Key	Reference	Address	Proposal	Decision
	N/2019/0410	Land to the north west and east of Sixfields Stadium, Edgar Mobbs Way	Siting of 2no containers, 2no generators and associated air conditioning equipment surrounded by 2.4-metre-high palisade fencing for use as a Data Centre (Use Class B8)	Approved 25/09/2019
	N/2019/0188	Site 1, Former Sixfields Autobreaks Tweed Road	Erection of a new depollution building, installation of new weighbridge, mobile storage containers/tanks, drainage infrastructure, 4.5 metre-high concrete panel wall and two storey office building (Part Retrospective)	Approved 15/03/2019
	N/2013/1048	Sixfields Stadium, Walter Tull Way	Part demolition of the East stand to provide addition of new seating terrace to increase seating capacity from 7653 to 10000, new conference and or banqueting hall with ancillary accommodation to include kitchen, service area and toilets, gymnasium and service core, office space, parking for 44 cars including 7 for disabled users, hard and soft landscaping area to include North and South piazza and provision of new access road off Edgar Mobbs Way.	Approved 28/11/2013
	N/2016/1511	Sixfields Stadium, Walter Tull Way	Erection of marquee at north stand car park	Approved 18/01/2017
	N/2014/0596	Land at Sixfields Stadium, Edgar Mobbs Way	Outline planning application for mixed use development of land adjacent to Sixfields Stadium to include single storey retail buildings (13,380sqm) single storey buildings for use within classes A3, A4 and A5 (695sqm) with associated car parking areas petrol filling station, residential development of up to 255 units comprising of 2-3 storey town houses and 4 storey apartment blocks. Extension at first floor level of the existing West stand to form a conference centre together with a linked 4 storey up to 100 bedroom hotel, landscaping and open space	In Progress

Northampton Borough Council Policy

Emerging West Northamptonshire Strategic Plan:

The West Northamptonshire Joint Planning Unit (JPU) is a partnership of Northampton Borough Council, Daventry District Council, South Northamptonshire Council, and Northamptonshire County Council.

The partner councils have now established a new Joint Planning and Infrastructure Board (JPIB) which will oversee the preparation of a new Strategic Plan for the West Northamptonshire area.

The new plan will follow on from the West Northamptonshire Joint Core Strategy, which needs updating to reflect revised national policies and changing local circumstances.

Current Planning Policy:

Most up to date:

- Northampton Local Plan Part 2
  > complement the JCS Local Plan Part 1
  > will replace Central Area Action Plan (2013) – site does not lie within this
  > It was submitted for examination on 4th February 2021 (Reg.22)

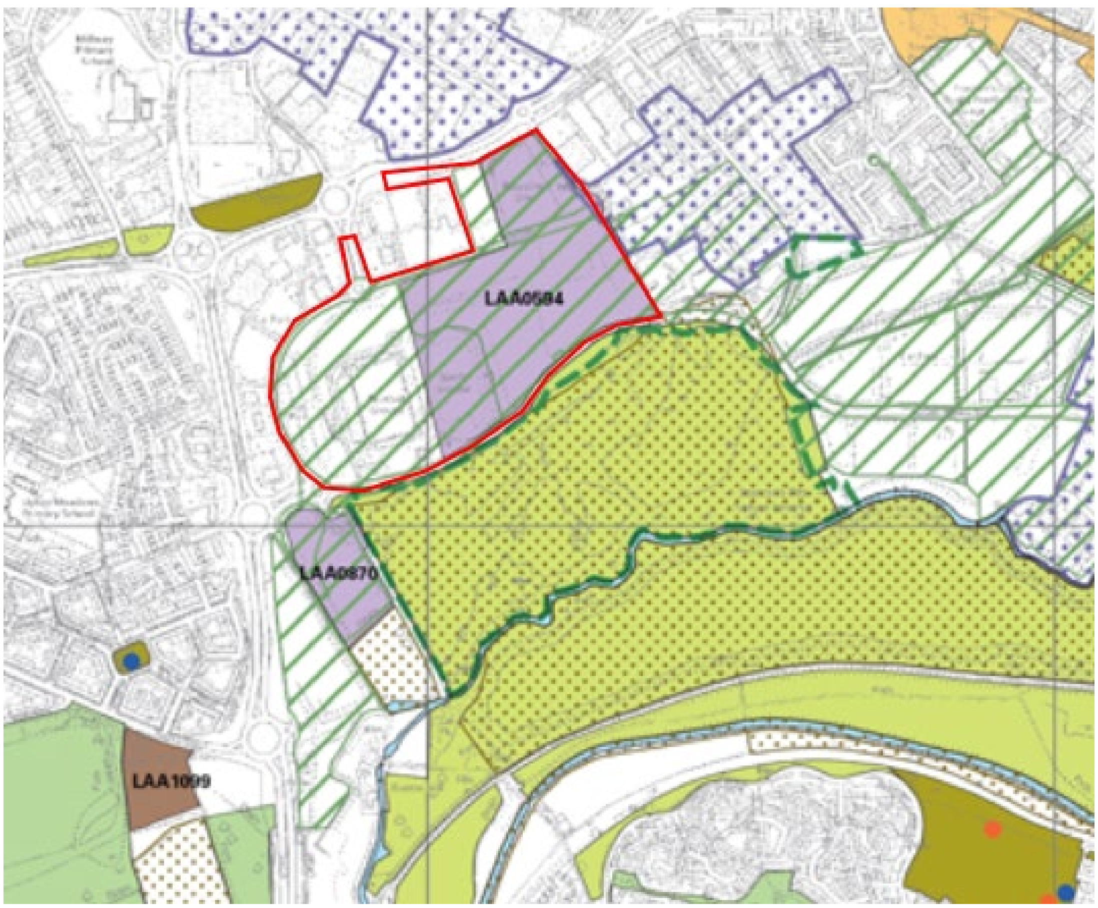
Submission Docs saved in folder:
NBC Local Plan Part 2 Submission Version – December 2020
Northampton Borough wide Policies Map

- Joint Core Strategy Local Plan Part 1
  > Doc
  > Review of policies

- Central Area Action Plan (2013)
  > will be replaced by Local Plan Part 2

-

Northampton Local Plan Part 2 Submission Version



Allocations on site:

Employment Allocation (Ref. LAA0594) – shaded purple on map above

Policy 18: Supporting New Employment Developments and Schemes Outside of Safeguarded Sites
To ensure a vibrant economy, proposals for new employment provision, outside of safeguarded employment sites, will be supported provided they meet the following criteria:

i. The site has been comprehensively assessed as being suitable for employment and the proposed uses and associated employment activities can be carried out without causing harm to residential amenity;
ii. The site can demonstrate good accessibility by walking, cycling and public transport

Policy 38: Development Allocations
Sites are allocated on the Policies Map for development. The Council will support developments and proposals on these allocated sites, provided that they meet the requirements set out in the development management policies within this Plan.

Ref. 0594 – Sixfields East in SAMLAA (June 2020)
> Deemed unsuitable for residential development, more suited to commercial uses.

Northampton Waterside Enterprise Zone – striped green on map above

The Enterprise Zone continues to provide opportunities for both new developments and expansion schemes.

Policy 17: Safeguarding Existing Employment Sites
- Safeguard all existing employment sites, including the Enterprise Zone, for employment use within the office, general industrial and warehousing and distribution sectors. Employment generating uses which are ancillary to/and or support the above employment sectors will also be supported if evidence associated with need is provided.
- Support the change of use to alternative non-employment-generating uses only if evidence can be provided to demonstrate that the existing use and other employment-generating uses are no longer viable. Evidence to be supplied includes details of marketing undertaken over a period of 6 - 12 months which shows that the site has been actively and extensively marketed for employment use and that no suitable interest has been expressed.

Allocations surrounding the site:

Area of Natural and Semi Natural Green Space – green on map above, neighbours site to the south

Policy 28: Providing Open Spaces
Natural and Semi Natural Green Space Planning Standards for New Development (doesn't specify just residential)
> 1.57ha per 1,000 population
> Maximum distance of provision from all parts of proposed development: 720m walk
> Reference Quality Standard to be Applied: NBC Assessment Framework

Local Wildlife Site (dotted brown on map above) / Local Nature Reserve (green dashed line on map above)

Policy 29: Supporting and Enhancing Biodiversity

1. Proposals will be expected to incorporate measures to enhance biodiversity within or around a development site, and to contribute to the consolidation the and development of local ecological networks, including beyond the borough's boundary.
2. Sites of local importance - Development affecting the Borough's Local Nature Reserves and Local Wildlife Sites will be expected to avoid causing adverse effects unless it can be demonstrated that the benefits of development clearly outweigh the harm.
3. All applicants are expected to assess the impacts of their proposals on biodiversity, including indirect impacts such as recreational activities, the cumulative impact of developments and any potential effects on functionally linked land to the respective site. Applicants will be required to undertake up to date, comprehensive ecological surveys in accordance with industry guidelines and standards.

Safeguarded Employment Areas to the east and north (see map above, purple dots)

Policy 17: Safeguarding Existing Employment Sites (see above)

Another allocated employment site to the south west of the site

Ref. 0870 – Sixfields Upton Way, also within the Enterprise Zone

Policy 18: Supporting New Employment Developments and Schemes Outside of Safeguarded Sites

Policy 38: Development Allocations

Northampton Local Plan Part 2 – General Policy on Housing / Employment

Chapter 7: Residential

West Northamptonshire Joint Core Strategy (JCS) established an OAN of 25,758 dwellings for Northampton between 2011-2029.

Policy S3 sets the housing requirement for Northampton Borough between 2011-2029 at about 18,870 dwellings. 7073 of these are set to be provided in SUEs allocated in the JCS.

By 1st April 2019 – 5,727 dwellings had been delivered, against a JCS requirement to allocate sufficient sites (allowing for windfall) to accommodate 8,157 new dwellings in Northampton by that time.
The number of dwellings delivered by 1st April 2019 falls some 2,430 units short of the delivery trajectory27 set out in the JCS

Delivery of housing at SUEs has been slow, and therefore not all housing allocated at SUEs will be completed by 1st April 2029.

Northampton's Five Year Housing Land Supply Assessment for April 2019 shows that Northampton has under delivered against the JCS target over the last five years, leading to concerns regarding the need for a 20% buffer to be added to the supply of deliverable sites.

However, first two Housing Delivery Tests concluded that Northampton Borough passed and therefore only needed a 5% buffer for the first 5 years.

An assessment of Northampton's five year housing land supply also confirmed that windfall sites of under 200 dwellings have the capacity to generate in the region of 300 dwellings per annum. This is a figure that has consistently been delivered over the last 10 years.

In formulating this local plan, the Council has undertaken a robust Land Availability Assessment. This detailed investigation concluded that the Council had sufficient supply to meet the requirement of about 18,870 net additional dwellings across the plan period to 2029.
> The housing assessment for Northampton Borough concluded that there is sufficient capacity to deliver 22,267 dwellings over the period 2011 to 2029 (this figure includes all planning approvals and commitments, a proportion of homes through the Sustainable Urban Extensions, windfalls and the housing capacity identified through the proposed Local Plan Part 2 developments) – JCS only requires delivery of 18,873 dwellings over the same period.

Annual Requirements
2019-2024 = 1,030 dwellings per year
2024/25 onwards = 1,609 dwellings per year

Policy 14 – Type and Mix of Housing
Mix
> Proposals for 10 or more new dwellings should demonstrate how the mix of tenure, type and size will reflect the Council's latest evidence for housing need and demand.
Self-build
> Sites of >100 dwellings should provide a proportion of serviced plots of land for self build
Specialist
> Council will support those that provide specialist accommodation that promotes independent living
> 4% of all new market dwellings and 8% affordable be constructed to Building Regulations Part M4(3) (Wheelchair user dwellings).

West Northamptonshire Joint Core Strategy Local Plan Part 1

> There was a review of its policies in December 2019, against the NPPF (2019) – comments made in this review are identified by each policy in blue.

Policies likely to be relevant:

Policy S1 – Distribution of Development
a) Development will be concentrated primarily in and adjoining the principal urban area of Northampton In assessing the suitability of sites for development priority will be given to making best use of previously developed land and vacant and underused buildings in urban or other sustainable locations contributing to the achievement of a West Northamptonshire target of 30% of additional dwellings on previously developed land or through conversions

Policy S2 – Hierarchy of Centres
Northampton - Regional Town Centre

Policy S3 – Scale and Distribution of Housing Development
>Should continue to be used for the purposes of calculating 5 year land supply.
Provision will be made for about 42,620 net additional dwellings in the plan area during the plan period 2011-2029.
Northampton Borough to contribute most, at 18.870

Policy S4 – Northampton Related Development Area (the site lies within this)
Northampton's needs, both housing and employment, will be met primarily within Northampton's existing urban area and SUEs.

Policy S8 – Distribution of Jobs
1. Should be concentrated within the Principal Urban Area of Northampton through:
a) Renewal and regeneration of existing employment sites (Policy E1)
b) Industrial/mixed/office land within the Enterprise Zone
c) Industrial land
d) SUEs

Policy E1 – Existing Employment Areas
Site not allocated within JCS, but partly is within Local Plan Part 2.

Policy E2 – New Office Floorspace
Northampton:
Major office development (1000sqm gross or more) will be located in Northampton following a sequential approach comprising:
a) Sites allocated in the Northampton CAAP
b) Within town centre boundary
c) Edge of town centre
d) Other suitable office sites allocated in Northampton Related Development Area Local Plan 2 – east of site allocated (Ref. LAA0594)

Policy E3 – Technology Realm, SEMLEP Northampton Waterside Enterprise Zone
> The LPA will seek to negotiate a range of business unit sizes within the SEMLEP Northampton Waterside Enterprise Zone to enable and encourage the start-up and grow-on of businesses.

Policy H1 – Housing Density and Mix and Type of Dwellings
Housing developments must make the most effective use of land, considering:
a) location and setting of site
b) existing character and density of local area
c) accessibility to services and facilities
d) proximity to public transport routes
e) implications of density for affordability and viability
f) living conditions for future residents
g) impact on amenities of neighbouring properties

Policy H2 – Affordable Housing
> Proportions of AH remain valid, provisions likely to be reviewed as part of the West Northamptonshire Spatial Plan.

> Northampton Related Development Area – 35% AH on sites of 15 or more dwellings
> Should be an integral element of development, tenure should reflect local needs and demand
> Subject to viability

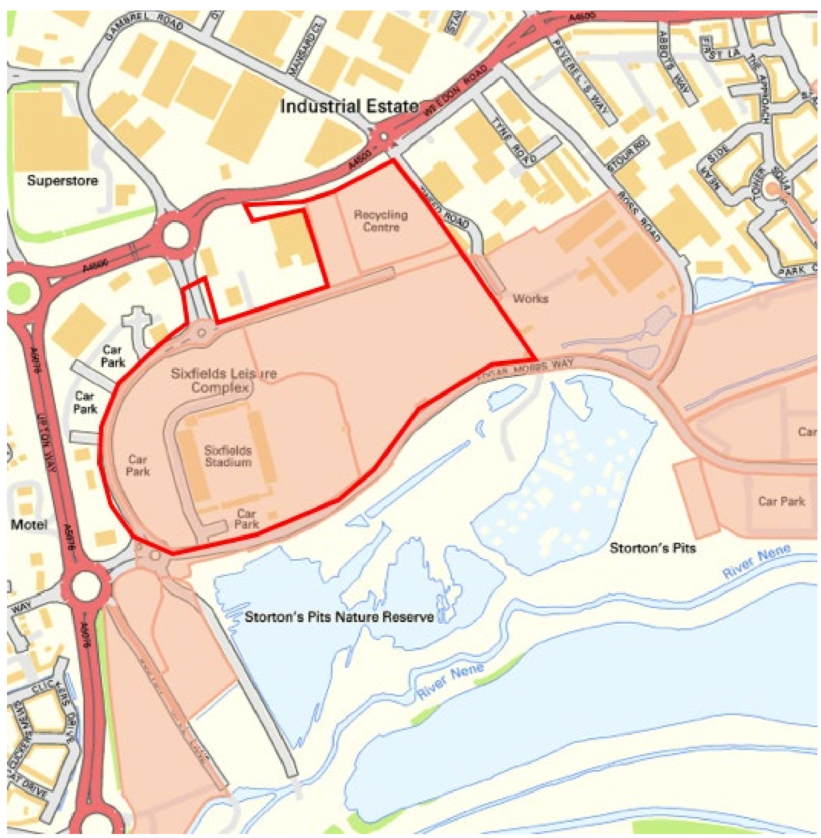
Policy BN1 – Green Infrastructure Connections
(Site is adjacent to River Nene corridor, as shown on habitat map below)
Green infrastructure corridors will be recognized for their important contribution for sense of place and conserved, managed and enhanced by:
1) incorporating into future development proposals
2) securing contributions from development

Policy BN2 – Biodiversity
> Development that has potential to harm sites of ecological importance will be subject to an ecological assessment and demonstrate how biodiversity would be conserved in construction and operation, how habitat conservation, enhancement and creation can be achieved through linking habitats, and how designated sites, protected species and priority habitats will be safeguarded.

Policy N1 – The Regeneration of Northampton
b) Housing development within the existing urban area through urban capacity infill and sustainable urban extensions.
c) Employment development by regeneration and redevelopment at existing employment sites and SEMLEP Northampton Waterside Enterprise Zone, with major office and service development focused on the central area. (See E1, E3)

Maps:

Enterprise Zone – peach
Site – red



Habitats:

Orange – Green Infrastructure Component Area B - Western Nene, Upton and Duston Mill
Green – Lowland Meadow Habitat Corridor
Red – site

Saved in Folder:

Parking Standards SPD (2019)

Planning Obligations Strategy SPD (2013)

PO1: General Approach to Planning Obligations
- Determined, taking into account viability, on a site by site basis

PO2: Thresholds for Providing Affordable Housing
- All developments of 15 dwellings or more are required to provide affordable housing at a minimum of 35%

PO4: Open space, Sport and Recreation (plus Appendix 1)
- For proposals of 15 dwellings or more, and determined to have an impact on existing provision, the deliver will be obligated to provide this either on site or elsewhere.

SITE NUMBER:	LAA0594
	SITE DETAILS
Name of site	Sixfields East
Site Address	Off Edgar Mobbs Way
Parish Name	Not applicable
Ward Name	St James
Neighbourhood Forum	Not applicable
Previously Developed Land	Yes
Site Area	10.18 ha
Yield	0
Source of Submission	SHLAA2012
Proposed Development	Employment
Site availability (within 5 years/ 6-10 years/ 11-15 years)	Within 5 years
Planning Status (eg planning approval/ development plan allocations)	N/2014/0664: Screening opinion request for up to 255 residential units, 3 retail buildings, a retail parade, hotel and extension to the west of the stadium N/2014/0696: Planning Committee resolved to approve in principle in December 2014 (mixed use incorporating single storey buildings for A3, A4. A5; petrol filling station, up to 255 dwellings and extension at first floor level of the existing west stand to form a conference centre together with a hotel
Brownfield Register	Yes
Site description and neighbouring uses	The site lies to the east of the football club, and is used as a training facility for the club. The northern section is currently used as a recycling centre
Part vacant/ all vacant	No
Land ownership (public/ private/ not known)	Public/ private
General Heritage Matters	No

Conservation Area	No
Listed Buildings (statutory)	No
Locally listed buildings	No
Tree Preservation Order	No
Scheduled Ancient Monuments	No
Registered Battlefields	No
Registered Parks and Gardens	No
Archaeology	Potential
Special Protection Area	No
Local Nature Reserve	Borders on to the Stortons Pits Local Nature Reserve
Local Wildlife Site	Borders on to a Local Wildlife Site
Open Space typology	No
Flooding	Flood Zone 1
Previous potentially contaminative use	Yes
Hazardous area	No
Public transport	Buses serve Weedon Road and Edgar Mobbs Way. The train station and Northgate Bus Station are location within 5km of the site
Strategic Highways Matters	Potential significant impact on the A43 and junction 15
Local Highways Matters	Potential significant impact on Edgar Mobbs Way, Weedon Road and the local network
Sustainability Appraisal	Significant positive effect likely on access to sustainable transport/ on economical growth and availability of jobs/ on renewable energy and greenhouse gas emission – sustainable transport/ on prioritise use of brownfield land Significant negative effect likely on avoid loss of greenfield land/ on avoid noise and odour and sterilisation of waste management sites Minor negative effect likely on proximity of designated sites/ on presence of brownfield land, derelict buildings and open space/ on flood risk from surface water/ on avoid land from instability

Local Plan Viability	The local plan viability assessment (Aspinall Verdi 2020) concluded that the policy for development allocations is viable
Any other observations	In the Enterprise Zone Issue of subsidence The site slopes quite steeply from north to south
RECOMMENDATION **Recommended for allocation for mixed use**	

LAA0594 - Sixfields East (area: 10.18 hectares)

APPENDIX 2

COST PLAN

SUMMARY

	Option 1	Option 2	Option 3	Option 4	Option 5
Upper Plateaux trade retail approx 146,000ft2	✗	✗	✗	✓	✗
Upper plateaux trade retail approx 80,500ft2	✓	✓	✓	✗	✗
Upper plateaux trade retail 85,000ft2	✗	✗	✗	✗	✓
Lower Plateaux Residential	✓	✗	✗	✗	✓
Lower Plateaux trade retail and small industrial	✗	✓	✗	✗	✗
Lower Plateaux mid size Industrial	✗	✗	✓	✓	✗
Existing recycle centre & car park removed	✗	✗	✗	✓	✗

All figures in £m	Option 1 Trade and residential £	Option 2 Trade £	Option 3 Trade and industrial £	Option 4 Retail/Trade & Industrial £	Option 5 85,000tf2 upper Plateaux £
Enabling works (Whole site)	10.03	10.03	10.03	10.03	10.03
Enabling works (Upper Plateaux North)	excluded	excluded	excluded	1.92	excluded
Upper Plateaux trade counter/retail	14.60	14.60	14.60	14.60	16.32
Upper Plateaux North trade counter/retail	excluded	excluded	excluded	14.01	excluded
Lower plateau Generic residential	52.99	excluded	excluded	excluded	52.99
Lower Plateaux trade counter/small industrial	excluded	23.41	excluded	excluded	excluded
Lower Plateaux Industrial	excluded	excluded	19.07	19.07	excluded
Total	**77.62**	**48.04**	**43.70**	**59.63**	**79.34**
Remove existing waste recycling centre	excluded	excluded	excluded	0.70	excluded
Relocation costs of existing waste recycling centre	excluded	excluded	excluded	excluded	excluded
	77.62	**48.04**	**43.70**	**60.33**	**79.34**

It is not clear if the enabling costs from the previous contractor costs include for removal of the eisting car park and waste recycling centre on the upper plateaux North.

All costs include associated external works
All costs include design fees of the contractor and client construction related design fees
No mezzanines in industrial or trade counter units
All costs current to 3rd qtr 2021
Enabling works based on previous figures adjusted for inflation and omission of waste recycling areas
VAT Excluded

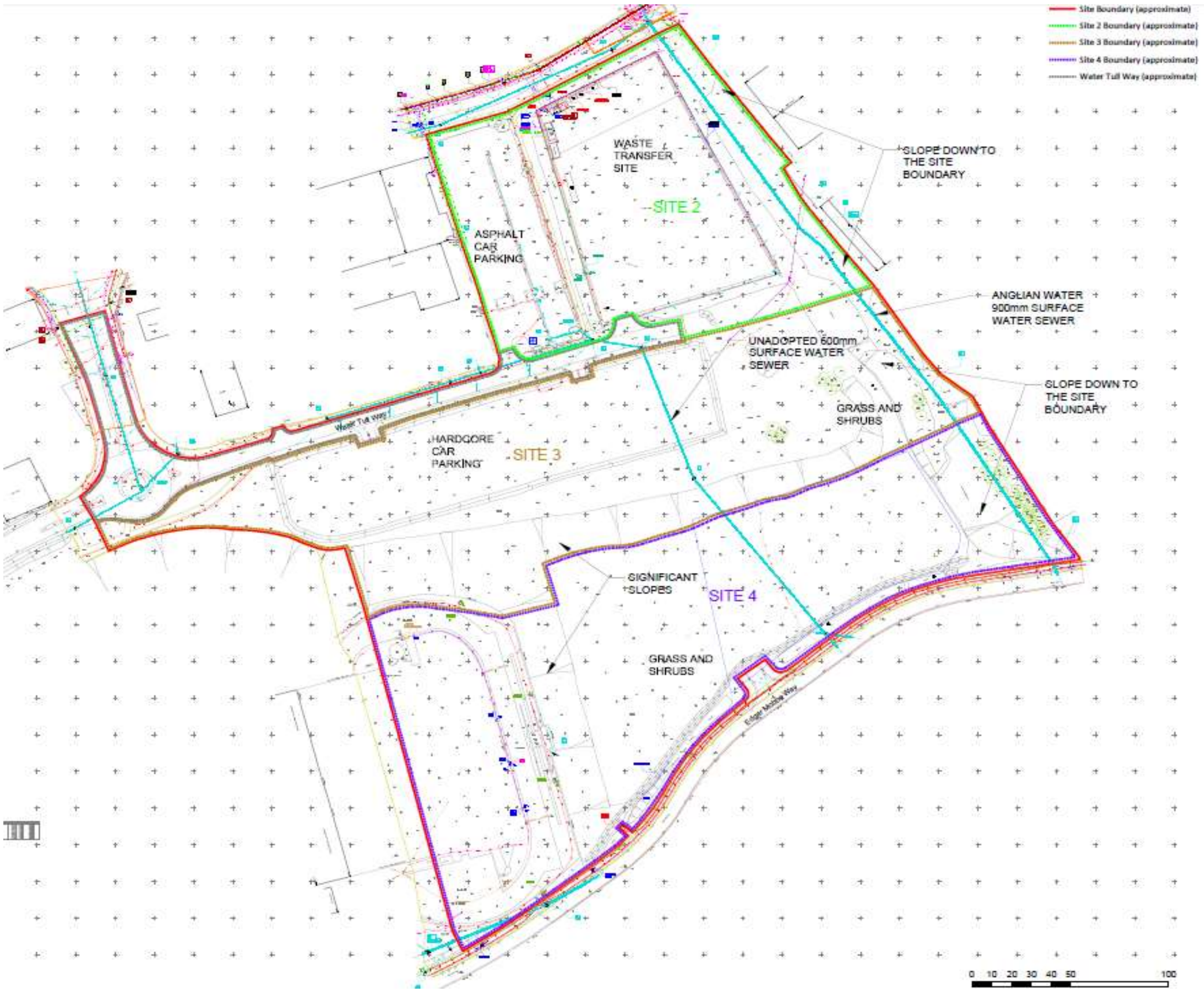
All enabling works priced as per previous quote updated for inflation in accordance with BCIS and appotitioned acoss sites on a m2 site area basis

Costs for relocation of the existing waste recycling centre have been

For the purposes of sensitivity analsis we consider that the above construction costs could reasonably vary from -9% to +15%

Lambert Smith Hampton

OVERALL SITE PLAN - SITE WORKS TO FORM UPPER & LOWER PLATEAUX



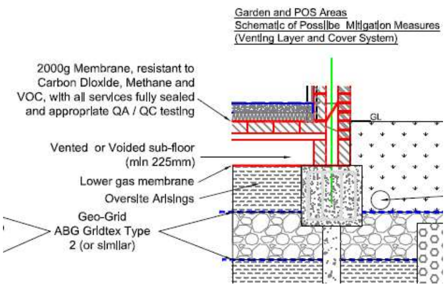
Contingency		£	£ (rounded)
All as per previous quote updated to current costs for 3rd qtr 2021 All costs include contractors preliminaries Overheads and Profit			
Walter Tulley Way		1,260,000	
Upper site		5,230,000	
Adjust upper site to exclude Ashpalt car park & waste transfer site		(1,920,000)	
Lower site		4,270,000	
		Total Enabling works based on updated cost of previous quote	8,840,000
Client construction related professional fees including planning on D&B basis	8%		710,000
Additional risk allowance against enabling works	5%		480,000
		Total £	10,030,000
Additional Cost of removing Waste recycling centre and site enabling works			
Removal works			1,920,000
Enabling works			702,000
		Total £	2,622,000

Lambert Smith Hampton

OVERALL SITE PLAN - LOWER PLATEAUX - RESIDENTIAL

The apartment and external works layout above has been ignored
and we have used generic rates only at this stage

APARTMENTS				£	£ (rounded)
Our estimate for generic apartments is:-					
Apartments inclg prelims & contractor design	25750	m²	1730	44,547,500	
Apartment costs based on 4 to 5 storey benchmark apartments include piling with framed construction, adjusted for scale, location and to 2nd Qtr 2021					
				Total standard buiding works (rounded)	44,550,000

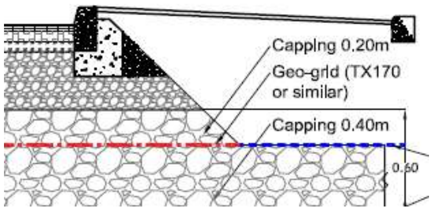


Ground slab adjustments:-					
Suspended floor slab eo ground bearing slab (beam and block with screed - to be confirmed)	6100	m²	25	152,500	
Additional ground beams (to be confirmed)	1017	m	14	14,238	
Lower gas membrane	6100	m²	6	36,600	
Vent equipment	6100	m²	5	30,500	
Upper gas membrane	6100	m²	10	61,000	
Preliminaries on above	10%			29,484	
Contractor Design	5%			16,216	
Overheads and profit	5%			17,027	
				Total Ground slab adjustments (rounded)	360,000

External works

Car parking and roads	8837	m²	75	662,775	
Footways	2250	m²	35	78,750	
Foul drainage, including protection	1	Item		152,800	
Storm drainage based on one gulley every 240m2 of paved area including protection	1	Item		171,870	
Stormwater attenuation (resi only)	1	Item		23,375	
Surface treatments other areas (including bank)	31613	m²	45	1,422,585	
External lighting	1	Item		204,000	
Utility trenches and ducts	510	m	160	81,600	
Preliminaries on external works	10%			350,000	
OH&P on external works	5%			157,000	
					3,310,000
Utility connections	309	Nr	2500	772,500	
s106 allowance	1	Item	100000	100,000	
					880,000

Hard pavings additional enabling works



Geogrid TX170 in lieu of Geogrid ABG Gridtex	11087	m²	10	110,870	
200mm Capping of granular imported material	11087	m²	8	88,696	
Preliminaries on above	9%			17,961	
Contractor Design	5%			10,876	
Overheads and profit	5%			11,420	
					240,000
			Sub total £		49,340,000
Client construction related professional fees including planning on D&B basis	8%				3,950,000
			Total £		52,510,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				52,990,000

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OVERALL SITE PLAN - LOWER PLATEAUX - INDUSTRIAL

INDUSTRIAL				£	£ (rounded)
Industrial units, standard portal frame, built up metal cladding industrial units including loading docks, office, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out to warehouse areas					
Unit A including 10 loading docks and 5% office	10,655.00	m²	670	7,138,850	
Unit B including 5 loading docks and 7% office	4,934.00	m²	870	4,292,580	
				Total standard buiding works (rounded)	11,440,000

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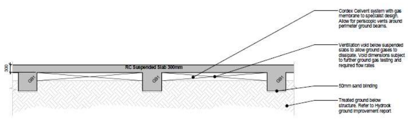
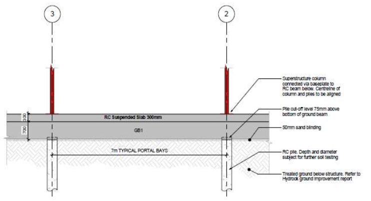


A SECTION 1 : 50



Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m pileson 7 x5m grid with ground beeams	15,329	m²	95	1,456,255	
Vented floor slab Cordex system	15,329	m²	38	582,502	
Gas membrane	15,329	m²	10	153,290	
Preliminaries on above	9%			197,284	
Contractor Design	5%			119,467	
Overheads and profit	5%			125,440	
	Total Ground slab adjustments (rounded)				2,640,000
External Works including preliminaries and contractor design				3,040,000	
Utility connections - allowance	2	Nr	50000	100,000	
s106 allowance	1	Item	100000	100,000	
					3,240,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,492	m²	10	144,920	
200mm Capping of granular imported material	14,492	m²	8	115,936	
Preliminaries on above	9%			32,477	
Contractor Design	5%			19,667	
Overheads and profit	5%			20,650	
					340,000
			Sub total £		17,660,000
Client construction related professional fees including planning on D&B basis	7.0%				1,240,000
			Total £		18,900,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				19,070,000

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OVERALL SITE PLAN - UPPER PLATEAUX - TRADE COUNTER

TRADE COUNTER UNITS UPPER PLATEAUX				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 7	929	m²	1345	1,249,505	
Unit 8	929	m²	1345	1,249,505	
Unit 9	1394	m²	1070	1,491,580	
Unit 10	929	m²	1345	1,249,505	
Unit 11	929	m²	1345	1,249,505	
Unit 12	929	m²	1345	1,249,505	
Unit 13	1442	m²	1070	1,542,940	
Total	7481 (80527ft2)				
	Total standard buiding works (rounded)				9,290,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	7,481.00	m²	112.00	837,872	
+ve extraction from under vented floor slab	7,481.00	m²	45.00	336,645	
Gas membrane	7,481.00	m²	1.00	7,481	
Preliminaries on above	9%			106,380	
Contractor Design	5%			64,419	

Overheads and profit	5%			67,640	
	Total Ground slab adjustments (rounded)				1,430,000
External Works including preliminaries and contractor design				2,250,000	
Utility connections - allowance	7	Nr	8000	56,000	
s106 allowance	1	Item	100000	100,000	
					2,406,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,880	m²	10	148,800	
200mm Capping of granular imported material	14,880	m²	8	119,040	
Preliminaries on above	9%			24,106	
Contractor Design	5%			14,597	
Overheads and profit	5%			15,327	
					330,000
				Sub total £	13,456,000
Client construction related professional fees including planning on D&B basis	7.5%				1,010,000
				Total £	14,466,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				14,600,000

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OVERALL SITE PLAN - LOWER PLATEAUX - TRADE COUNTER/SMALL INDUSTRIAL

TRADE COUNTER UNITS LOWER PLATEAUX				£	£ (rounded)
Industrial style trade counter units, standard portal frame, composite metal cladding one level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 1 Trade counter	870	m²	1345	1,170,150	
Unit 2	706	m²	1345	949,570	
Unit 3	706	m²	1345	949,570	
Unit 4	706	m²	1345	949,570	
Unit 5	706	m²	1345	949,570	
Unit 6	706	m²	1345	949,570	
Unit 7	706	m²	1345	949,570	
Industrial units, standard portal frame, built up metal cladding industrial units including loading docks, office, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out to warehouse areas					
Unit 8 small industrial (7% office, 4 loading docks)	3530	m²	1455	5,136,150	
Unit 9 (7% office, 2 loading docks)	1858	m²	950	1,765,100	
Unit 10 (7% office, 2 loading docks)	1858	m²	950	1,765,100	
	Total standard buiding works (rounded)				15,540,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	12,352.00	m²	112.00	1,383,424	
+ve extraction from under vented floor slab	12,352.00	m²	45.00	555,840	
Gas membrane	12,352.00	m²	1.00	12,352	
Preliminaries on above	9%			175,645	
Contractor Design	5%			106,363	
Overheads and profit	5%			111,681	
	Total Ground slab adjustments (rounded)				2,350,000
External Works including preliminaries and contractor design				3,000,000	
Utility connections - allowance	7	Nr	8000	56,000	
	3	Nr	25000	75,000	
s106 allowance	1	Item	100000	100,000	
					3,231,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	15,795	m²	10	157,950	
200mm Capping of granular imported material	15,795	m²	8	126,360	
Preliminaries on above	12%			34,117	
Contractor Design	5%			15,921	
Overheads and profit	5%			16,717	
					360,000
				Sub total £	21,481,000
Client construction related professional fees including planning on D&B basis	8.0%				1,720,000
				Total £	23,201,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				23,410,000

OVERALL SITE PLAN - UPPER PLATEAUX - NORTH PLOT

TRADE COUNTER UNITS UPPER PLATEAUX - NORTH PLOT				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 1	815	m²	1435	1,169,525	
Unit 2	815	m²	1435	1,169,525	
Unit 3	1067	m²	1435	1,531,145	
Unit 4	1067	m²	1435	1,531,145	
Unit 5	1067	m²	1435	1,531,145	
Unit 6	1067	m²	1435	1,531,145	
Unit 13	186	m²	1700	316,200	
				Total standard buiding works (rounded)	8,780,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	6,084.00	m²	112.00	681,408	
+ve extraction from under vented floor slab	6,084.00	m²	45.00	273,780	
Gas membrane	6,084.00	m²	1.00	6,084	
Preliminaries on above	9%			86,514	
Contractor Design	5%			52,389	

Overheads and profit	5%			55,009	
	Total Ground slab adjustments (rounded)				1,160,000
External Works including preliminaries and contractor design				2,500,000	
Utility connections - allowance	7	Nr	8000	56,000	
s106 allowance	1	Item	100000	100,000	
					2,656,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,501	m²	10	145,010	
200mm Capping of granular imported material	14,501	m²	8	116,008	
Preliminaries on above	9%			23,492	
Contractor Design	5%			14,225	
Overheads and profit	5%			14,937	
					320,000
				Sub total £	12,916,000
Client construction related professional fees including planning on D&B basis	7.5%				970,000
				Total £	13,886,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				14,010,000

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OVERALL SITE PLAN - UPPER PLATEAUX - 85,000ft2 only

TRADE COUNTER UNITS UPPER PLATEAUX				£	£ (rounded)
Industrial style units, standard portal frame, composite metal claddingone level access door per unit, welfare facilities, piled foundations, ground improvement allowance, (additional granular fill) gas membrane, preliminaries and contractor design costs. 15% rooflights and 10% PV to roof. No internal fit out retail areas no floor finish to welfare other than WCs					
Unit 7	929	m²	1435	1,333,115	
Unit 8	929	m²	1435	1,333,115	
Unit 9a	929	m²	1435	1,333,115	
Unit 9b	881	m²	1435	1,264,235	
Unit 10	929	m²	1435	1,333,115	
Unit 11	929	m²	1435	1,333,115	
Unit 12	929	m²	1435	1,333,115	
Unit 13	1442	m²	1070	1,542,940	
Total	7897	(85005ft2)			
				Total standard buiding works (rounded)	10,810,000
Ground slab adjustments:-					
Extra over ground bearing slab for suspended slab based on 17.5m piles on 7 x 5m grid with ground beeams	7,897.00	m²	112.00	884,464	
+ve extraction from under vented floor slab	7,897.00	m²	45.00	355,365	
Gas membrane	7,897.00	m²	1.00	7,897	
Preliminaries on above	9%			112,295	
Contractor Design	5%			68,001	
Overheads and profit	5%			71,401	

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			Total Ground slab adjustments (rounded)		1,500,000
External Works including preliminaries and contractor design				2,250,000	
Utility connections - allowance	7	Nr	8000	56,000	
s106 allowance	1	Item	100000	100,000	
					2,406,000
Hard pavings additional enabling works					
Geogrid TX170 in lieu of Geogrid ABG Gridtex	14,880	m²	10	148,800	
200mm Capping of granular imported material	14,880	m²	8	119,040	
Preliminaries on above	9%			24,106	
Contractor Design	5%			14,597	
Overheads and profit	5%			15,327	
					330,000
			Sub total £		15,046,000
Client construction related professional fees including planning on D&B basis	7.5%				1,130,000
			Total £		16,176,000
inflation 2nd qtr 2021 to 3rd qtr 2021	1.009119				16,320,000

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APPENDIX 3

RESIDUAL APPRAISALS

Sixfields - Option 1

Sixfields - Option 1

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE						
Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**	
Residential	1	239,477	270.00	64,658,790	64,658,790	
Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**1**	**80,525**			**724,725**	**724,725**
Investment Valuation						
Trade Counter Units						
Market Rent	724,725	YP @	5.5000%	18.1818		
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749	
					12,828,749	
GROSS DEVELOPMENT VALUE				**77,487,539**		
Purchaser's Costs		6.80%	(816,812)			
				(816,812)		
NET DEVELOPMENT VALUE				**76,670,728**		
NET REALISATION				**76,670,728**		
OUTLAY						
ACQUISITION COSTS						
Residualised Price (Negative land)			(20,615,099)			
				(20,615,099)		
CONSTRUCTION COSTS						
Construction	**ft²**	**Rate ft²**	**Cost**			
Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000			
Residential	277,173 ft²	191.18 pf²	52,990,000			
Totals	**357,698 ft²**		**67,590,000**	**67,590,000**		
Enabling Works			10,030,000			
				10,030,000		
Section 106 Costs						
CIL			1,679,673			
				1,679,673		
MARKETING & LETTING						
Marketing		1.00%	646,588			
Marketing			20,000			
Letting Agent Fee		15.00%	108,709			
Letting Legal Fee		5.00%	36,236			
				811,533		
DISPOSAL FEES						
Sales Agent Fee		1.00%	766,707			
Sales Legal Fee		0.50%	383,354			
				1,150,061		
FINANCE						
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)						
Total Finance Cost				527,062		
TOTAL COSTS				**61,173,229**		
PROFIT						
				15,497,498		
Performance Measures						
Profit on Cost%		25.33%				
Profit on GDV%		20.00%				
Profit on NDV%		20.21%				
Development Yield% (on Rent)		1.18%				
Equivalent Yield% (Nominal)		5.50%				
Equivalent Yield% (True)		5.69%				

Sixfields - Option 1

IRR	N/A
Rent Cover	21 yrs 5 mths
Profit Erosion (finance rate 6.000%)	3 yrs 9 mths

Sixfields - Option 1

Table of Land Cost and Profit on GDV%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£10,974,353	£15,550,969	£20,234,663	£25,063,635	£29,959,386
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£10,704,625	£15,277,507	£19,962,395	£24,791,383	£29,687,974
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£10,434,898	£15,004,045	£19,690,445	£24,519,366	£29,416,953
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£10,166,450	£14,730,584	£19,418,630	£24,248,137	£29,146,375
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£9,899,012	£14,457,122	£19,147,090	£23,977,812	£28,876,413
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£11,427,567	£16,010,943	£20,692,274	£25,521,686	£30,417,135
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,171,169	£15,750,700	£20,433,465	£25,262,564	£30,157,786
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£10,914,772	£15,490,570	£20,174,656	£25,003,699	£29,899,678
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£10,658,374	£15,230,623	£19,915,899	£24,744,907	£29,641,759
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£10,401,977	£14,970,676	£19,657,405	£24,486,402	£29,384,197
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£11,841,204	£16,429,930	£21,108,909	£25,938,695	£30,835,133
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,595,702	£16,181,155	£20,861,840	£25,691,512	£30,587,417
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£11,350,983	£15,933,210	£20,615,099	£25,444,474	£30,339,716
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,106,702	£15,685,266	£20,368,524	£25,197,621	£30,093,086
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£10,862,422	£15,437,503	£20,121,950	£24,951,064	£29,847,251
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Rent: Yield 5.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,219,203	£16,813,599	£21,491,331	£26,319,446	£31,217,213
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£11,984,819	£16,575,699	£21,254,174	£26,083,460	£30,980,275
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£11,750,435	£16,337,800	£21,017,629	£25,847,475	£30,743,764
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,516,051	£16,100,711	£20,781,862	£25,611,490	£30,507,272
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£11,282,790	£15,863,995	£20,546,396	£25,375,746	£30,270,895
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Rent: Yield 6.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,565,915	£17,165,263	£21,842,406	£26,668,914	£31,567,895
8.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£12,341,476	£16,937,706	£21,615,290	£26,442,714	£31,341,098
8.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£12,117,282	£16,710,150	£21,388,309	£26,216,992	£31,114,308
9.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£11,893,088	£16,482,593	£21,161,467	£25,991,271	£30,887,917
9.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£11,668,894	£16,255,076	£20,935,678	£25,765,550	£30,661,712
9.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Residential	1	£191.18	2 Up & Down
Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 1

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 2

Sixfields - Option 2

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Lower Plateau Trade Counter	1	132,925	9.00	1,196,325	1,196,325	1,196,325
Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**2**	**213,450**			**1,921,050**	**1,921,050**

Investment Valuation					
Lower Plateau Trade Counter					
Market Rent	1,196,325	YP @	5.5000%	18.1818	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	21,176,796
Trade Counter Units					
Market Rent	724,725	YP @	5.5000%	18.1818	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749
					34,005,546

GROSS DEVELOPMENT VALUE				**34,005,546**
Purchaser's Costs		6.80%	(2,165,147)	
				(2,165,147)
NET DEVELOPMENT VALUE				**31,840,399**
NET REALISATION				**31,840,399**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(23,017,024)	
				(23,017,024)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Lower Plateau Trade Counter	132,925 ft²	176.11 pf²	23,410,000	
Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000	
Totals	**213,450 ft²**		**38,010,000**	**38,010,000**
Enabling Works			10,030,000	
				10,030,000
MARKETING & LETTING				
Marketing			50,000	
Letting Agent Fee		15.00%	288,158	
Letting Legal Fee		5.00%	96,053	
				434,210
DISPOSAL FEES				
Sales Agent Fee		1.00%	318,404	
Sales Legal Fee		0.50%	159,202	
				477,606
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,654,914
TOTAL COSTS				**27,589,705**
PROFIT				
				4,250,693

Performance Measures	
Profit on Cost%	15.41%
Profit on GDV%	12.50%
Profit on NDV%	13.35%
Development Yield% (on Rent)	6.96%
Equivalent Yield% (Nominal)	5.50%
Equivalent Yield% (True)	5.69%
IRR	N/A

Sixfields - Option 2

Rent Cover	2 yrs 3 mths
Profit Erosion (finance rate 6.000%)	2 yrs 5 mths

Sixfields - Option 2

Table of Land Cost and Profit on GDV%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£16,333,358 12.500%	£19,144,692 12.500%	£21,963,509 12.500%	£24,784,923 12.500%	£27,612,866 12.500%
-0.25 pf² 8.75 pf²	£15,581,251 12.500%	£18,389,518 12.500%	£21,207,666 12.500%	£24,026,473 12.500%	£26,853,234 12.500%
0.00 pf² 9.00 pf²	£14,829,157 12.500%	£17,637,418 12.500%	£20,451,817 12.500%	£23,270,631 12.500%	£26,093,613 12.500%
+0.25 pf² 9.25 pf²	£14,080,654 12.500%	£16,885,318 12.500%	£19,695,974 12.500%	£22,514,789 12.500%	£25,334,004 12.500%
+0.50 pf² 9.50 pf²	£13,332,257 12.500%	£16,133,212 12.500%	£18,941,478 12.500%	£21,758,945 12.500%	£24,577,754 12.500%
Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£17,596,155 12.500%	£20,413,781 12.500%	£23,232,589 12.500%	£26,060,349 12.500%	£28,888,294 12.500%
-0.25 pf² 8.75 pf²	£16,881,196 12.500%	£19,695,258 12.500%	£22,514,072 12.500%	£25,338,234 12.500%	£28,166,186 12.500%
0.00 pf² 9.00 pf²	£16,166,235 12.500%	£18,976,742 12.500%	£21,795,556 12.500%	£24,616,133 12.500%	£27,444,071 12.500%
+0.25 pf² 9.25 pf²	£15,451,269 12.500%	£18,259,538 12.500%	£21,077,038 12.500%	£23,895,846 12.500%	£26,721,952 12.500%
+0.50 pf² 9.50 pf²	£14,736,668 12.500%	£17,544,579 12.500%	£20,358,514 12.500%	£23,177,330 12.500%	£25,999,846 12.500%
Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£18,748,574 12.500%	£21,567,391 12.500%	£24,391,798 12.500%	£27,219,734 12.500%	£30,047,671 12.500%
-0.25 pf² 8.75 pf²	£18,063,993 12.500%	£20,882,804 12.500%	£23,703,779 12.500%	£26,531,721 12.500%	£29,359,662 12.500%
0.00 pf² 9.00 pf²	£17,381,658 12.500%	£20,198,215 12.500%	£23,017,024 12.500%	£25,843,703 12.500%	£28,671,652 12.500%
+0.25 pf² 9.25 pf²	£16,700,461 12.500%	£19,513,621 12.500%	£22,332,438 12.500%	£25,155,692 12.500%	£27,983,642 12.500%
+0.50 pf² 9.50 pf²	£16,019,261 12.500%	£18,829,039 12.500%	£21,647,851 12.500%	£24,467,692 12.500%	£27,295,626 12.500%
Rent: Yield 5.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£19,801,784 12.500%	£22,622,319 12.500%	£25,450,260 12.500%	£28,278,200 12.500%	£31,110,392 12.500%
-0.25 pf² 8.75 pf²	£19,148,169 12.500%	£21,966,981 12.500%	£24,793,374 12.500%	£27,621,322 12.500%	£30,450,258 12.500%
0.00 pf² 9.00 pf²	£18,494,554 12.500%	£21,313,371 12.500%	£24,136,493 12.500%	£26,964,444 12.500%	£29,792,381 12.500%
+0.25 pf² 9.25 pf²	£17,840,954 12.500%	£20,659,761 12.500%	£23,479,624 12.500%	£26,307,560 12.500%	£29,135,503 12.500%
+0.50 pf² 9.50 pf²	£17,190,541 12.500%	£20,006,146 12.500%	£22,824,957 12.500%	£25,650,672 12.500%	£28,478,625 12.500%
Rent: Yield 6.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf² 8.50 pf²	£20,767,127 12.500%	£23,592,483 12.500%	£26,420,433 12.500%	£29,249,948 12.500%	£32,085,364 12.500%
-0.25 pf² 8.75 pf²	£20,141,909 12.500%	£22,964,140 12.500%	£25,792,088 12.500%	£28,620,026 12.500%	£31,453,910 12.500%
0.00 pf² 9.00 pf²	£19,516,690 12.500%	£22,335,807 12.500%	£25,163,739 12.500%	£27,991,682 12.500%	£30,822,444 12.500%
+0.25 pf² 9.25 pf²	£18,891,466 12.500%	£21,710,280 12.500%	£24,535,401 12.500%	£27,363,338 12.500%	£30,191,275 12.500%
+0.50 pf² 9.50 pf²	£18,266,248 12.500%	£21,085,063 12.500%	£23,907,046 12.500%	£26,734,993 12.500%	£29,562,931 12.500%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Lower Plateau Trade Counter	1	£176.11	2 Up & Down
Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 2

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Trade Counter	1	£9.00	2 Up & Down
Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Trade Counter	1	5.5000%	2 Up & Down
Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 3

Sixfields - Option 3

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**	**Initial MRV**
Lower Plateau Warehouse	1	114,690	7.25	831,503	831,503	831,503
Lower Plateau Warehouse	1	53,110	7.75	411,603	411,603	411,603
Upper Plateau Trade Counter Units	1	80,525	9.00	724,725	724,725	724,725
Totals	**3**	**248,325**			**1,967,830**	**1,967,830**

Investment Valuation					
Lower Plateau Warehouse					
Market Rent	831,503	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	15,838,143
Lower Plateau Warehouse					
Market Rent	411,603	YP @	5.0000%	20.0000	
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	5.0000%	0.9641	7,936,263
Upper Plateau Trade Counter Units					
Market Rent	724,725	YP @	5.5000%	18.1818	
(0yrs 6mths Rent Free)		PV 0yrs 6mths @	5.5000%	0.9736	12,828,749
					36,603,155

GROSS DEVELOPMENT VALUE			**36,603,155**
Purchaser's Costs	6.80%	(2,330,538)	
			(2,330,538)
NET DEVELOPMENT VALUE			**34,272,617**
NET REALISATION			**34,272,617**

OUTLAY

ACQUISITION COSTS		
Residualised Price (Negative land)	(16,855,982)	
		(16,855,982)

CONSTRUCTION COSTS

Construction	**ft²**	**Rate ft²**	**Cost**	
Lower Plateau Warehouse	114,690 ft²	113.65 pf²	13,034,519	
Lower Plateau Warehouse	53,110 ft²	113.64 pf²	6,035,420	
Upper Plateau Trade Counter Units	80,525 ft²	181.31 pf²	14,600,000	
Totals	**248,325 ft²**		**33,669,939**	**33,669,939**
Enabling Works			10,030,000	
				10,030,000

MARKETING & LETTING			
Marketing		50,000	
Letting Agent Fee	15.00%	295,175	
Letting Legal Fee	5.00%	98,392	
			443,566
DISPOSAL FEES			
Sales Agent Fee	1.00%	342,726	
Sales Legal Fee	0.50%	171,363	
			514,089
FINANCE			
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)			
Total Finance Cost			1,895,610
TOTAL COSTS			**29,697,223**
PROFIT			
			4,575,394

Performance Measures	
Profit on Cost%	15.41%
Profit on GDV%	12.50%
Profit on NDV%	13.35%
Development Yield% (on Rent)	6.63%

Sixfields - Option 3

Equivalent Yield% (Nominal)	5.17%
Equivalent Yield% (True)	5.34%
IRR	N/A
Rent Cover	2 yrs 4 mths
Profit Erosion (finance rate 6.000%)	2 yrs 5 mths

Sixfields - Option 3

Table of Land Cost and Profit on GDV%

Rent: Yield 4.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£10,787,344 12.500%	£13,257,922 12.500%	£15,738,706 12.500%	£18,226,321 12.500%	£20,720,549 12.500%
-0.25 pf²	£9,872,621 12.500%	£12,333,951 12.500%	£14,811,145 12.500%	£17,297,775 12.500%	£19,787,382 12.500%
0.00 pf²	£8,963,458 12.500%	£11,414,382 12.500%	£13,887,173 12.500%	£16,369,224 12.500%	£18,856,836 12.500%
+0.25 pf²	£8,059,158 12.500%	£10,496,038 12.500%	£12,963,194 12.500%	£15,440,681 12.500%	£17,928,290 12.500%
+0.50 pf²	£7,159,650 12.500%	£9,583,425 12.500%	£12,041,416 12.500%	£14,516,421 12.500%	£16,999,741 12.500%
Rent: Yield 4.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£12,237,273 12.500%	£14,714,859 12.500%	£17,202,468 12.500%	£19,694,631 12.500%	£22,191,593 12.500%
-0.25 pf²	£11,366,455 12.500%	£13,839,924 12.500%	£16,323,593 12.500%	£18,811,397 12.500%	£21,308,345 12.500%
0.00 pf²	£10,497,016 12.500%	£12,965,376 12.500%	£15,444,714 12.500%	£17,932,329 12.500%	£20,425,090 12.500%
+0.25 pf²	£9,633,097 12.500%	£12,091,854 12.500%	£14,568,029 12.500%	£17,053,455 12.500%	£19,541,852 12.500%
+0.50 pf²	£8,773,581 12.500%	£11,221,656 12.500%	£13,693,484 12.500%	£16,174,575 12.500%	£18,662,190 12.500%
Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,552,368 12.500%	£16,036,463 12.500%	£18,525,865 12.500%	£21,022,822 12.500%	£23,519,802 12.500%
-0.25 pf²	£12,722,427 12.500%	£15,202,411 12.500%	£17,690,026 12.500%	£20,184,622 12.500%	£22,681,572 12.500%
0.00 pf²	£11,893,586 12.500%	£14,369,689 12.500%	£16,855,982 12.500%	£19,346,424 12.500%	£21,843,383 12.500%
+0.25 pf²	£11,067,772 12.500%	£13,539,752 12.500%	£16,021,933 12.500%	£18,509,545 12.500%	£21,005,184 12.500%
+0.50 pf²	£10,243,981 12.500%	£12,709,810 12.500%	£15,187,889 12.500%	£17,675,500 12.500%	£20,166,983 12.500%
Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,748,059 12.500%	£17,235,674 12.500%	£19,731,046 12.500%	£22,227,998 12.500%	£24,731,004 12.500%
-0.25 pf²	£13,956,195 12.500%	£16,442,290 12.500%	£18,933,706 12.500%	£21,430,667 12.500%	£23,929,678 12.500%
0.00 pf²	£13,166,718 12.500%	£15,648,901 12.500%	£18,136,513 12.500%	£20,633,334 12.500%	£23,130,284 12.500%
+0.25 pf²	£12,377,238 12.500%	£14,855,517 12.500%	£17,343,129 12.500%	£19,835,994 12.500%	£22,332,953 12.500%
+0.50 pf²	£11,590,373 12.500%	£14,064,960 12.500%	£16,549,744 12.500%	£19,038,667 12.500%	£21,535,621 12.500%
Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£15,841,138 12.500%	£18,332,598 12.500%	£20,829,558 12.500%	£23,329,957 12.500%	£25,835,004 12.500%
-0.25 pf²	£15,084,796 12.500%	£17,572,509 12.500%	£20,069,458 12.500%	£22,566,408 12.500%	£25,071,095 12.500%
0.00 pf²	£14,328,463 12.500%	£16,816,072 12.500%	£19,309,351 12.500%	£21,806,308 12.500%	£24,307,193 12.500%
+0.25 pf²	£13,575,525 12.500%	£16,059,734 12.500%	£18,549,252 12.500%	£21,046,209 12.500%	£23,543,306 12.500%
+0.50 pf²	£12,822,910 12.500%	£15,303,391 12.500%	£17,791,006 12.500%	£20,286,105 12.500%	£22,783,059 12.500%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£113.65	2 Up & Down
Lower Plateau Warehouse	1	£113.64	2 Up & Down
Upper Plateau Trade Counter Units	2	£181.31	2 Up & Down

Sixfields - Option 3

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£7.25	2 Up & Down
Lower Plateau Warehouse	1	£7.75	2 Up & Down
Upper Plateau Trade Counter Units	2	£9.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Upper Plateau Trade Counter Units	2	5.5000%	2 Up & Down

Sixfields - Option 4

Development Appraisal
Lambert Smith Hampton
28 September 2021

Sixfields - Option 4

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**
Lower Plateau Warehouse	1	114,690	7.25	831,503	831,503
Lower Plateau Warehouse	1	53,110	7.75	411,603	411,603
Retail	1	146,000	15.00	2,190,000	2,190,000
Totals	**3**	**313,800**			**3,433,105**

Investment Valuation					
Lower Plateau Warehouse					
Market Rent	831,503	YP @	5.0000%	20.0000	
(1yr Rent Free)		PV 1yr @	5.0000%	0.9524	15,838,143
Lower Plateau Warehouse					
Market Rent	411,603	YP @	5.0000%	20.0000	
(0yrs 9mths Rent Free)		PV 0yrs 9mths @	5.0000%	0.9641	7,936,263
Retail					
Market Rent	2,190,000	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	23,469,650
					47,244,056

GROSS DEVELOPMENT VALUE				**47,244,056**
Purchaser's Costs		6.80%	(3,008,048)	
				(3,008,048)
NET DEVELOPMENT VALUE				**44,236,007**
NET REALISATION				**44,236,007**

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(28,958,101)	
				(28,958,101)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Lower Plateau Warehouse	114,690 ft²	113.65 pf²	13,034,519	
Lower Plateau Warehouse	53,110 ft²	113.64 pf²	6,035,420	
Retail	146,000 ft²	195.96 pf²	28,610,000	
Totals	**313,800 ft²**		**47,679,939**	**47,679,939**
Enabling Works			12,650,000	
				12,650,000
Section 106 Costs				
CIL			1,769,695	
				1,769,695
MARKETING & LETTING				
Marketing			80,000	
Letting Agent Fee		15.00%	514,966	
Letting Legal Fee		5.00%	171,655	
				766,621
DISPOSAL FEES				
Sales Agent Fee		1.00%	442,360	
Sales Legal Fee		0.50%	221,180	
				663,540
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				2,577,704
TOTAL COSTS				**37,149,399**
PROFIT				
				7,086,608

Sixfields - Option 4

Performance Measures

Profit on Cost%	19.08%
Profit on GDV%	15.00%
Profit on NDV%	16.02%
Development Yield% (on Rent)	9.24%
Equivalent Yield% (Nominal)	6.57%
Equivalent Yield% (True)	6.85%
IRR	N/A
Rent Cover	2 yrs 1 mth
Profit Erosion (finance rate 6.000%)	2 yrs 11 mths

Initial MRV
831,503
411,603
2,190,000
3,433,105

Sixfields - Option 4

Table of Land Cost and Profit on Cost%

Rent: Yield 4.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£20,615,593 19.076%	£24,100,757 19.076%	£27,596,762 19.076%	£31,099,096 19.076%	£34,611,183 19.076%
-0.25 pf²	£19,714,349 19.076%	£23,195,004 19.076%	£26,686,539 19.076%	£30,187,392 19.076%	£33,696,418 19.076%
0.00 pf²	£18,813,116 19.076%	£22,289,268 19.076%	£25,777,692 19.076%	£29,277,159 19.076%	£32,781,668 19.076%
+0.25 pf²	£17,915,724 19.076%	£21,386,575 19.076%	£24,871,948 19.076%	£28,366,923 19.076%	£31,867,782 19.076%
+0.50 pf²	£17,018,942 19.076%	£20,485,332 19.076%	£23,966,195 19.076%	£27,456,705 19.076%	£30,957,555 19.076%

Rent: Yield 4.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£22,176,297 19.076%	£25,667,635 19.076%	£29,168,489 19.076%	£32,678,623 19.076%	£36,191,068 19.076%
-0.25 pf²	£21,315,845 19.076%	£24,804,268 19.076%	£28,303,763 19.076%	£31,809,603 19.076%	£35,321,700 19.076%
0.00 pf²	£20,459,421 19.076%	£23,943,804 19.076%	£27,439,031 19.076%	£30,940,584 19.076%	£34,452,667 19.076%
+0.25 pf²	£19,603,233 19.076%	£23,083,333 19.076%	£26,574,317 19.076%	£30,075,170 19.076%	£33,583,637 19.076%
+0.50 pf²	£18,747,059 19.076%	£22,222,880 19.076%	£25,711,304 19.076%	£29,210,442 19.076%	£32,714,619 19.076%

Rent: Yield 5.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£23,605,630 19.076%	£27,104,035 19.076%	£30,610,083 19.076%	£34,122,182 19.076%	£37,641,827 19.076%
-0.25 pf²	£22,786,287 19.076%	£26,280,634 19.076%	£29,782,598 19.076%	£33,294,686 19.076%	£36,810,202 19.076%
0.00 pf²	£21,966,947 19.076%	£25,457,248 19.076%	£28,958,101 19.076%	£32,467,187 19.076%	£35,979,290 19.076%
+0.25 pf²	£21,148,213 19.076%	£24,636,042 19.076%	£28,134,702 19.076%	£31,639,703 19.076%	£35,151,798 19.076%
+0.50 pf²	£20,332,952 19.076%	£23,816,702 19.076%	£27,311,301 19.076%	£30,812,219 19.076%	£34,324,300 19.076%

Rent: Yield 5.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£24,921,625 19.076%	£28,423,002 19.076%	£31,935,090 19.076%	£35,451,346 19.076%	£38,973,437 19.076%
-0.25 pf²	£24,135,954 19.076%	£27,636,803 19.076%	£31,145,514 19.076%	£34,657,813 19.076%	£38,179,918 19.076%
0.00 pf²	£23,353,961 19.076%	£26,851,118 19.076%	£30,355,911 19.076%	£33,868,009 19.076%	£37,386,385 19.076%
+0.25 pf²	£22,572,146 19.076%	£26,065,436 19.076%	£29,566,330 19.076%	£33,078,413 19.076%	£36,592,851 19.076%
+0.50 pf²	£21,790,340 19.076%	£25,279,766 19.076%	£28,780,616 19.076%	£32,288,821 19.076%	£35,800,924 19.076%

Rent: Yield 5.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£26,136,546 19.076%	£29,643,973 19.076%	£33,156,303 19.076%	£36,678,408 19.076%	£40,200,923 19.076%
-0.25 pf²	£25,385,424 19.076%	£28,889,108 19.076%	£32,401,204 19.076%	£35,919,785 19.076%	£39,441,882 19.076%
0.00 pf²	£24,634,316 19.076%	£28,135,170 19.076%	£31,646,345 19.076%	£35,161,162 19.076%	£38,683,267 19.076%
+0.25 pf²	£23,884,268 19.076%	£27,384,055 19.076%	£30,891,492 19.076%	£34,403,594 19.076%	£37,924,645 19.076%
+0.50 pf²	£23,136,853 19.076%	£26,632,934 19.076%	£30,136,646 19.076%	£33,648,740 19.076%	£37,166,022 19.076%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps

Sixfields - Option 4

Lower Plateau Warehouse	1	£113.65	2 Up & Down
Lower Plateau Warehouse	1	£113.64	2 Up & Down
Retail	2	£195.96	2 Up & Down

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Lower Plateau Warehouse	1	£7.25	2 Up & Down
Lower Plateau Warehouse	1	£7.75	2 Up & Down
Retail	2	£15.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Lower Plateau Warehouse	1	5.0000%	2 Up & Down
Retail	2	8.0000%	2 Up & Down

Sixfields - Option 5

Development Appraisal
Lambert Smith Hampton
28 September 2021

Sixfields - Option 5

Summary Appraisal for Merged Phases 1 2

Currency in £

REVENUE

Sales Valuation	**Units**	**ft²**	**Rate ft²**	**Unit Price**	**Gross Sales**
Residential	1	239,477	270.00	64,658,790	64,658,790

Rental Area Summary	**Units**	**ft²**	**Rate ft²**	**Initial MRV/Unit**	**Net Rent at Sale**
Upper Plateau Retail Warehouse	1	85,000	15.00	1,275,000	1,275,000
Totals	**1**	**85,000**			**1,275,000**

Investment Valuation					
Upper Plateau Retail Warehouse					
Market Rent	1,275,000	YP @	8.0000%	12.5000	
(2yrs Rent Free)		PV 2yrs @	8.0000%	0.8573	13,663,837
					13,663,837
GROSS DEVELOPMENT VALUE				**78,322,627**	
Purchaser's Costs		6.80%	(869,982)		
				(869,982)	
NET DEVELOPMENT VALUE				**77,452,645**	
NET REALISATION				**77,452,645**	

OUTLAY

ACQUISITION COSTS				
Residualised Price (Negative land)			(23,468,859)	
				(23,468,859)
CONSTRUCTION COSTS				
Construction	**ft²**	**Rate ft²**	**Cost**	
Upper Plateau Retail Warehouse	85,000 ft²	192.00 pf²	16,320,000	
Residential	277,173 ft²	191.18 pf²	52,990,000	
Totals	**362,173 ft²**		**69,310,000**	**69,310,000**
Enabling Works			10,030,000	
				10,030,000
Section 106 Costs				
CIL			1,679,673	
CIL			1,030,322	
				2,709,995
MARKETING & LETTING				
Marketing		1.00%	646,588	
Marketing			30,000	
Letting Agent Fee		15.00%	191,250	
Letting Legal Fee		5.00%	63,750	
				931,588
DISPOSAL FEES				
Sales Agent Fee		1.00%	774,526	
Sales Legal Fee		0.50%	387,263	
				1,161,790
FINANCE				
Debit Rate 6.000%, Credit Rate 0.000% (Nominal)				
Total Finance Cost				1,113,619
TOTAL COSTS				**61,788,133**
PROFIT				
				15,664,513

Performance Measures

Profit on Cost%	25.35%
Profit on GDV%	20.00%
Profit on NDV%	20.22%

Sixfields - Option 5

Development Yield% (on Rent)	2.06%
Equivalent Yield% (Nominal)	8.00%
Equivalent Yield% (True)	8.42%
IRR	N/A
Rent Cover	12 yrs 3 mths
Profit Erosion (finance rate 6.000%)	3 yrs 10 mths

Initial
MRV
1,275,000
1,275,000

Sixfields - Option 5

Table of Land Cost and Profit on GDV%

Rent: Yield 7.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,519,991	£18,277,482	£23,097,437	£27,982,445	£32,946,881
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£13,367,951	£18,123,209	£22,940,906	£27,823,373	£32,787,794
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,215,958	£17,968,937	£22,784,516	£27,664,328	£32,628,889
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,064,456	£17,814,664	£22,628,129	£27,505,464	£32,470,316
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£12,913,219	£17,660,392	£22,471,743	£27,347,556	£32,312,177
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 7.7500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£13,852,089	£18,615,453	£23,439,143	£28,329,803	£33,294,699
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£13,705,627	£18,466,250	£23,288,448	£28,176,563	£33,141,310
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,559,164	£18,317,202	£23,137,753	£28,023,477	£32,988,018
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,412,803	£18,168,734	£22,987,066	£27,870,392	£32,834,870
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,266,528	£18,020,266	£22,836,560	£27,717,306	£32,681,901
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.0000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,163,320	£18,932,439	£23,759,212	£28,656,392	£33,621,081
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,022,059	£18,788,615	£23,614,036	£28,507,987	£33,473,083
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£13,880,960	£18,644,875	£23,468,859	£28,360,093	£33,325,116
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£13,739,861	£18,501,135	£23,323,683	£28,212,432	£33,177,316
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,598,762	£18,357,397	£23,178,506	£28,064,953	£33,029,599
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.2500%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,456,720	£19,230,240	£24,061,038	£28,963,883	£33,929,310
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,319,981	£19,091,450	£23,920,348	£28,820,589	£33,785,669
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£14,183,243	£18,952,660	£23,779,661	£28,677,315	£33,642,110
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£14,046,916	£18,813,948	£23,639,622	£28,534,205	£33,499,289
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£13,910,851	£18,675,336	£23,499,625	£28,391,451	£33,356,604
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
Rent: Yield 8.5000%	Construction: Rate pf²				
Rent: Rate pf²	-15.000%	-7.500%	0.000%	+7.500%	+15.000%
-0.50 pf²	£14,732,608	£19,510,266	£24,344,937	£29,253,057	£34,219,510
14.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
-0.25 pf²	£14,600,626	£19,376,304	£24,209,114	£29,114,748	£34,080,735
14.75 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
0.00 pf²	£14,468,644	£19,242,343	£24,073,317	£28,976,439	£33,941,961
15.00 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.25 pf²	£14,336,662	£19,108,381	£23,937,521	£28,838,131	£33,803,310
15.25 pf²	20.000%	20.000%	20.000%	20.000%	20.000%
+0.50 pf²	£14,204,680	£18,974,419	£23,801,726	£28,699,825	£33,664,729
15.50 pf²	20.000%	20.000%	20.000%	20.000%	20.000%

Sensitivity Analysis : Assumptions for Calculation

Construction: Rate pf²
Original Values are varied by Steps of 7.500%.

Heading	Phase	Rate	No. of Steps

Sixfields - Option 5

Residential	1	£191.18	2 Up & Down
Upper Plateau Retail Warehouse	2	£192.00	2 Up & Down

Rent: Rate pf²
Original Values are varied in Fixed Steps of £0.25

Heading	Phase	Rate	No. of Steps
Upper Plateau Retail Warehouse	2	£15.00	2 Up & Down

Rent: Yield
Original Values are varied in Fixed Steps of 0.25%

Heading	Phase	Cap. Rate	No. of Steps
Upper Plateau Retail Warehouse	2	8.0000%	2 Up & Down

APPENDIX 4

MACRO MARKET COMMENTARY

Market Commentary

The LSH UKIT Q1 2021 report revealed that in spite of another lockdown, Q1 volume was relatively robust and characterised by improving levels of activity. Total UK investment volume was £11.2bn in Q1, only 13% below the five-year quarterly average but 22% down on the strong showing from Q4 2020. Positively, reflecting improving depth to activity in the wake of the pandemic, the total number of deals recorded in Q1 was up 10% on Q4 2020 and the highest since Q3 2019. Activity accelerated too, with the number of deals in March being the highest monthly total since December 2018.

Boundless demand for logistics was reflected in another huge quarter of industrial investment. Q1 volume of £3.5bn was second only to the record £4.0bn set in the previous quarter. Distribution warehouses continued to dominate, with Q1's largest deal being BentallGreenOak's £303m (NIY 5.50%) seven asset portfolio purchase from Morgan Stanley.

Q1 also saw a marked improvement for industrial multi-lets which, in stark contrast to distribution warehouses, saw volume slip to an eight-year low in 2020. Driven by greater investor confidence and improving stock levels, Q1 multi-let volume of £1.2bn was the strongest showing since Q4 2018.

UK-wide office volume was only £2.7bn in Q1, 50% below the previous quarter and 44% below trend. Investors are seemingly more cautious towards the sector as businesses consider their post-COVID workspace strategies. The subdued pattern was evident across each of the office sub-sectors, although strong demand is being seen in life sciences opportunities in the current climate.

One of Q1's largest office deals was Aberdeen Standard's Investments' £160m purchase of Friars Bridge Court, SE1 following its 103,000 sq ft lease to a life sciences occupier. Elsewhere, Brockton Everlast's £100m purchase at Cambridge Science Park and L&G's £46m acquisition of Melbourn Science Park were key to an otherwise very quiet quarter for South East offices.

The nascent recovery in retail investment continued into 2021, with Q1 volume of £1.7bn only 7% below the three-year high of the previous quarter. Characterised by secure income, a further £500m of supermarkets changed hands in Q1, taking the annualised total to a record £2.0bn.

However, the recent uptick in retail volume has been largely underpinned by a clear revival of interest for retail warehousing, reflecting a growing sense of value and opportunity in the sub-sector. M7 Real Estate's £300m acquisition of a 19 retail warehouse portfolio propelled retail warehouse volume to £651m in Q1, the highest since Q3 2018.

At £2.8bn, investment across the living sectors improved for a second consecutive quarter, up 33% on Q4 2020, albeit 17% below average. Student accommodation was key to the improvement, with volume of £1.3bn the strongest since Q3 2019. This was boosted by the largest overall deal of Q1, namely the £500m JV between APG and Scape Student Living.

While hotels & leisure volume continues to be hit hard within the living arena, investment into build to rent (BtR) has remained a bright spot since the start of the pandemic. BtR volume of £766m in Q1 was 32% above average and boosted by several portfolio deals including Goldman Sachs' £150m acquisition of a 15 asset portfolio from Gatehouse Bank.

Residential

While the unprecedented response to the COVID-19 pandemic initially had a marked impact on housing transaction volumes, pent up demand following the first national lockdown in spring 2020 saw volumes recover quickly, whilst average house prices have typically increased owing to lowered interest rates and a temporary reduction in the rate of stamp duty, as well as other government initiatives.

As working from home has become commonplace, with many employers introducing formal flexible working policies expected to last beyond the scope of COVID-19 restrictions, many homeowners and first time buyers have re-evaluated their living requirements, with many favouring larger homes with outside space in rural and suburban locations.

These factors have contributed to some of the highest price increases for a number of years. Looking ahead, the winding down of the stamp duty holiday in late 2021 and affordability concerns in some locations may provide a break for further house price growth.

The extension of the stamp duty holiday put a "spring in the step" of home movers in March, according to the UK's biggest mortgage lender.

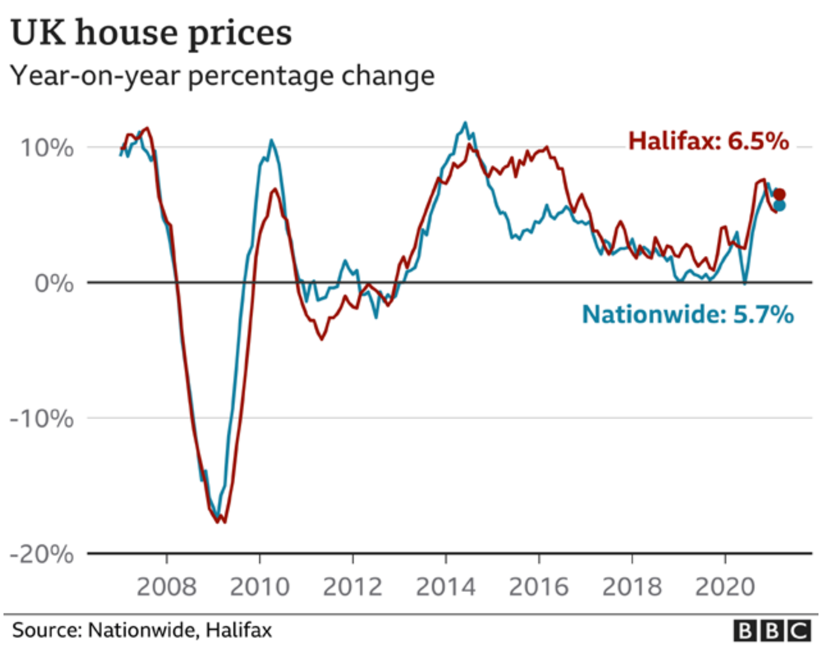
The Halifax, part of Lloyds Banking Group, said there was "something of a resurgence" in the UK housing market in March.

Extensions to stamp duty holidays in England, Northern Ireland and Wales were key to the rise in activity.

As a result, the average house price was 6.5% higher than a year ago. It meant the typical home was valued at £254,606 in March. Although rising house prices will be welcomed by some, it will frustrate those wanting to buy a home for the first time - particularly if Covid uncertainty has affected their income and ability to borrow through a mortgage. There was some support announced in the Budget as a government guarantee means first-time buyers should get a wider choice of mortgages that require a deposit of just 5% of the loan.

The economic fallout of the pandemic could affect longer-term pricing of property, according to Russell Galley, managing director at the Halifax. "With the economy yet to feel the full effect of its biggest recession in more than 300 years, we remain cautious about the longer-term outlook," he said. "Given current levels of uncertainty and the potential for higher unemployment, we still expect house price growth to slow somewhat by the end of this year."

The Halifax said that UK house prices rose by 1.1% in March compared with February, according to figures based on the lender's own mortgage data. That meant they had risen in cash terms by £15,430 over the last year - a 12 months dominated by Covid, with various lockdowns and other restrictions.



"Casting our minds back 12 months, few could have predicted quite how well the housing market would ride out the impact of the pandemic so far, let alone post growth of more than £1,000 per month on average," Mr Galley said.

Anna Clare Harper, chief executive of asset manager SPI Capital, suggested that lockdowns and rising living standards had encouraged existing owners to buy bigger properties. However, she said inequality among generations and incomes meant many would need to rent instead, which could increase demand in that sector.

The UK housing market is judged by average prices, but there are a host of local markets in which schools, housing development and regional employment that can affect property values.
There were several developers who built out parcels of land at Upton Square, approximately one mile from the subject property. The majority of sales data from these properties is not a little historic dating back to 2014-2018.

There are some developments which are currently on the market including:

Hunsbury Grange

Hunsbury Grange is a development by Shelbourne Estates located approximately 1 mile to the west of the property. It forms part of a larger area of development formed of multiple different schemes.

The development provides a mix of 2, 3, 4 and 5-bedroom homes all finished to a high specification.

We are aware of the following availability at this scheme:

Property Type	SQFT	Asking Price	Price per SQFT
Dursley 4-bedroom semi-detached	934	£314,750	£337
Tidworth 3-bedroom detached house	902	£319,750	£354
Chessington 3-bedroom semi-detached	1,158	£344,750	£298
Bredhurst 4-bedroom detached	1,172	£405,750	£346
Cadley 4-bedroom detached	1,358	£444,750	£328
Willingham 4-bedroom detached	1,424	£474,750	£333
Addlestone 4-bedroom detached	1,469	£484,750	£330
Harbury 4-bedroom detached	1,462	£494,750	£338
Wimbourne 4-bedroom detached	1,796	£599,750	£334
Hartfield 5-bedroom detached	2,239	£649,750	£290
Average			£329

MyResi Upton Square

My Resi Upton Square is a development by Metropolitan Thames Valley located 0.6 miles to the west of the property. It forms part of a larger area of development formed of multiple different schemes. The development provides market housing, shared ownership purchase options and rental properties.

This development provides 1, 2, 3 and 4-bedroom properties including apartments.

Lambert Smith Hampton

This development is currently being marketed. We are aware of the current availability at this development:

Property Type	Asking Price
1-bedroom apartment	£165,000
4-bedroom house	£285,000

We are also aware of the following developments in the area:

St Michael's Park

St Michael's Park is a development by Morris Homes located approximately one mile from the subject. The development comprises 2, 3, 4 and 5-bedroom homes.

We are aware of the following availability at this scheme:

Property Type	SQFT	Asking Price	Price per SQFT
Abbey 2-bedroom apartment	659	£199,750	£303
Kensington 2-bedroom apartment	668	£199,750	£299
Broxton 4-bedroom detached	1,101	£384,750	£349
Moreton 4-bedroom detached	1,330	£419,750	£316
Cranleigh 4-bedroom detached	1,358	£425,750	£314
Warwick 4-bedroom detached	1,424	£459,750	£323
Abingdon 4-bedroom detached	1,469	£464,750	£316
Average			£317

Dragonfly Meadows

Dragonfly Meadows is a development by Taylor Wimpey located 2 miles south of the subject property. This is a large development which provides a mix of 2, 3, 4 and 5-bedroom homes. This development has been recently completed and proved popular, having now sold out.

We are aware of the following recent sales at this development:

Address	Sale Date	SQFT	Sale Price	Price per SQFT
50 Dragonfly Way Northampton	20 March 2020	1,765	£412,000	£233
35 Mayfly Road Northampton	21 August 2020	1,087	£282,000	£259
37 Mayfly Road Northampton	18 June 2020	1,173	£295,000	£251
39 Mayfly Road Northampton	28 February 2020	1,173	£295,000	£251
60 Mayfly Road Northampton	01 September 2020	1,216	£345,000	£284
66 Mayfly Road Northampton	24 July 2020	1,216	£347,000	£285

68 Mayfly Road Northampton	13 March 2020	1,216	£345,000	£284
70 Mayfly Road Northampton	24 July 2020	1,507	£425,000	£282
72 Mayfly Road Northampton	30 July 2020	1,345	£385,000	£286
74 Mayfly Road Northampton	31 July 2020	1,345	£385,000	£286
76 Mayfly Road Northampton	31 July 2020	1,507	£445,000	£295
78 Mayfly Road Northampton	27 March 2020	1,087	£285,000	£262
80 Mayfly Road Northampton	30 March 2020	1,345	£385,000	£286
82 Mayfly Road Northampton	01 April 2020	1,765	£465,000	£263
84 Mayfly Road Northampton	27 March 2020	1,507	£440,000	£292
86 Mayfly Road Northampton	13 March 2020	915	£294,000	£321
88 Mayfly Road Northampton	27 February 2020	1,109	£315,000	£284
96 Mayfly Road Northampton	01 April 2020	1,173	£280,000	£239
5 Damselfly Road Northampton	07 May 2020	893	£133,250	£149
8 Hawker Way Northampton	18 February 2020	797	£139,750	£175
26 Emperor Crescent Northampton	28 February 2020	1,345	£380,000	£282
29 Emperor Crescent Northampton	31 January 2020	1,087	£280,000	£258
3 Green Drake Way Northampton	14 August 2020	1,076	£310,000	£288
Average				**£265**

Retail Warehouse

UK retail warehousing, despite its association with the struggling High Street sector, continues to outperform other retail segments despite the rise of online retailing and Covid-19.

Many additional retail park tenants have delivered stronger resilient results despite the pandemic, in stark contrast to many High Street retailers. Lidl, B&M, Home Bargains, Aldi and M&S alone have taken in excess of 3,000,000 sq ft of new space between them in 2020. The growth in click and collect as a consumer preference has been widely sighted as a key driver of revenues and tenants are recognising that retail parks are the best way to fulfil this service.

The better performance of retail parks can be attributed to the essential nature of out-of-town operators, dominated by supermarkets and DIY stores, and to the layout of these out of town lots. While only 27% of retail was allowed to remain open under Government lockdown measures, 61% of retail warehousing floor space was designated as essential. In addition, the retail park is well suited to the post pandemic world. The convenience of car parking, open air nature and ample room makes social distancing easier, allowing footfall to recover.

While Covid-19 uncertainty persists, restrictions will remain in place through much of the first half of the year, forecasts suggests that the UK economy should see a strong rebound in economic growth by the end of 2021, further strengthening during 2022.

Strong performers are supermarkets, discounters, homeware and DIY, sportswear and fast-food operators. The third lockdown has meant that many non-essential retailers continue to struggle in particular, fashion and leisure operators. The 12th April reopening is welcome news for the sector.

There is a move towards more flexible lease terms, which has resulted from tenants having an increased leverage in lease negotiations. The traditional 5 to 10 year term certain is making way for 1 to 3 year commitments or leases with rolling break options. Tenants have an increased focus on affordability and greater reliance on turnover based rents.

The UK has had little choice but to become a nation of online shoppers during the Covid-19 pandemic. The sales figures for ecommerce retailers and delivery companies that can bring goods straight to the door are a testament to the new normal we have come to accept over the best part of a year.

The shift to online has been a long time coming and the pandemic has accelerated that trend and with it the latest demise of a High Street presence for our biggest brands like Debenhams and Topshop.

Retailers suffered their worst annual sales performance on record in 2020, driven by slump in demand for fashion and homeware products, figures show.

While food sales growth rose 5.4% on 2019, non-food fell about 5%, the British Retail Consortium (BRC) said.

It meant an overall fall of 0.3% in a year dominated by the Covid-19 impact, the worst annual change since the BRC began collating the figures in 1995.

Christmas offered little cheer, with much of the High Street still closed. "Physical non-food stores, including all of non-essential retail, saw sales drop by a quarter compared with 2019," said Helen Dickinson, BRC chief executive. "Christmas offered little respite for these retailers, as many shops were forced to shut during the peak trading period," she said.

The 5.4% rise in food sales was fuelled by shoppers flocking to supermarkets and online grocers to ensure they were stocked up during the pandemic.

In December, total retail sales increased by 1.8% as shoppers spent more in the run-up to Christmas. Like-for-like sales for the month were up 4.8% as overall shop takings were still affected by restrictions and temporary closures.

Online non-food sales jumped by 44.8% in December, according to the new figures, as a higher proportion of shopping took place online.

The BRC's sales monitor is collated with the consultancy KPMG, whose UK head of retail, Paul Martin, said: "In the most important month for the retail industry, there was some positive growth due to the ongoing shift of expenditure from other categories such as travel and leisure.

"Once again we saw big swings in the types of products being purchased and the channels used for shopping, with much of the growth taking place online, where nearly half of all non-food purchases were made."

But he warned that the new lockdown would worsen conditions for many non-essential shops and the High Street generally.

A recent report from the Centre for Retail Research (CRR) said that 2020 was the worst for High Street job losses in more than 25 years, as the coronavirus accelerated the move towards online shopping.

Nearly 180,000 retail jobs were lost last year, up by almost a quarter from 2019, the CRR said.

Many shops are closing every day on Britain’s main streets. These closures have not been exclusive to smaller retailers, as major retail players have also struggled; including House of Fraser, Mothercare, Marks & Spencer, Debenhams and Poundworld.

Many of these companies have been forced to use CVAs to try and restructure their business, which include rent reductions and store closures, or ceased trading altogether.

For retail and leisure, the fallout from COVID-19 will hasten change and consolidation, with the list of retailers announcing job cuts growing daily. However, government support and major reforms in planning have the potential to promote change for the better. For many retailers, the lockdown was the final straw in their bid for survival. The number of retailers going into administration or entering a CVA in the first half of 2020 surpassed the total for the whole of 2019, with further casualties, including the Arcadia Group which fell into administration in December 2020.

The disruption from COVID-19 is has altered the traditional status quo between landlords and tenants. Landlords are adapting to the more challenging climate for occupiers with an increased offering of turnover-based leases, which are commonplace in the USA and Europe. Major landlords, including The Crown Estate, L&G and Capco have recently announced restructuring of lease terms, including offering turnover-based rents to assist current tenants and boost occupancy.

This sharing of risk and reward between tenants and landlords will provide significant levels of relief for retailers and hospitality operators. The increased adoption of turnover-based rents may well embed itself into the UK retail landscape and become the new normal for commercial retail leases.

The introduction of new planning use classes, predominantly Class E which incorporates former use classes A1/2/3 and B2, will look to ensure that traditional retail units can be more easily repurposed to accommodate a range of purposes, a move which should aid the regeneration of town centres and local high streets.

Northampton, the county town of Northamptonshire, was designated a New Town in 1968 and maintained this status until the Development Corporation was wound up in 1985. The total population within the Northampton Primary Retail Market Area is estimated at 282,000 at end 2019, similar to the Sub Regional Weak Town average.

Northampton is projected to see above average growth in population within its Retail Market Area over the period 2019-2024.

Northampton's Enterprise Zone covers the Northampton Waterside area, stretching from Sixfields to Brackmills, following the line of the River Nene; the area has become a focus for investment in sustainable construction, low carbon technology, advanced technologies and high performance/precision engineering.

Employment in private sector services accounts for 61% of total employment in Northampton, slightly above the Retail PROMIS average; specifically, professional & business services and finance sectors together account for a close to average 12.5% of total employment, while retailing and leisure account for 23.8% of total employment, around the Retail PROMIS average. The public sector accounts for 19.0% of total employment in Northampton, around the Retail PROMIS average.

Along with other East Midlands centres, Northampton has long been associated with shoe manufacture; Barkers Shoes and Crockett & Jones are still based in the town. Engineering continues to be an important source of employment, despite considerable rationalisation over recent years. Cosworth Racing and Bearward Engineering are major employers within the town; Mercedes Benz is also based in nearby Brixworth. Other important manufacturing employers include Carlsberg, Weetabix and KAB seating.

Northampton has emerged as a key distribution location, due to the town's position between London and the Midlands, and its proximity to the M1. Yusen Logistics, Norbert Dentressangle, Knights of Old, Gem Logistics, Wincanton and Eddie Stobart are just a few of the many logistics companies that have operations in Northamptonshire.

Major retailers such as Tesco and Sainsbury's also have a presence. In 2018, Sainsbury's opened a second distribution centre adjacent to its existing site, which is thought to have created around 400 new jobs.

The retail offer in Northampton town centre is largely mainstream and the number of national multiples is slightly below average for a Sub Regional Weak Town. The town has a somewhat dated Debenhams' department store on The Drapery and a large Primark store anchors the Grosvenor Centre. Despite uncertainty surrounding Debenhams nationally, we understand that the store will continue trading in Northampton for the time being.

Retail warehouse supply was estimated at 1,010,000 sq ft, ranking the town 37 of the PROMIS Centres. Overall, provision per household of retail warehousing floorspace is above the PROMIS average, although this varies across key goods categories. Some goods categories are over-represented in terms of provision per household, particularly Other Bulky, Other High St, and Electrical. In contrast, DIY is under-represented in terms of provision per household.

Around 54% of total retail warehousing floorspace in the Northampton area is on retail parks, close to the Retail PROMIS average.

The main location for retail warehousing in the area is Towcester Road, just south of Northampton town centre. Two large retail parks - **St James' Retail Park** and **Nene Valley Retail Park** - occupy adjacent sites here. Towcester Road is one of Northampton’s main arterial roads and both of these parks are relatively accessible and visible.

Nene Valley Retail Park provides 145,000 sq ft of retail warehousing and whilst the park benefits from open A1 planning consent, most tenants are bulky goods retailers, such as Pets at Home, ScS, Smyths Toys, Dreams, Dunelm and Currys/PC World.

St James' Retail Park provides nearly 170,000 sq ft of retail warehousing. Tenants are mainly bulky goods retailers and include The Range, HomeSense, DW Sports Fitness, DFS and AHF Furnishings.

To the south-east of Northampton, just off the A45 by-pass near Great Billing, is the highly visible and accessible **Riverside Retail Park**. An initial bulky goods restriction was subsequently relaxed and the park now accommodates a number of non bulky goods tenants such as Boots, Wilko, Next and Sports Direct; there are also Pizza Hut, KFC, Subway and McDonalds restaurants within the park.

Sixfields Retail Park is located to the west of the town, at the junction of Weedon Road and Upton Way. This prominent site is adjacent to the town’s by-pass and close to a Sainsbury's superstore. Sixfields Retail Park is relatively small, but has open A1 consent and occupiers include Boots, Next and M&S Foodhall.

Also to the west of town, but just outside the central area, is **Beckett Retail Park**, which is accessed from St James Mill Road. Occupiers on the park include Majestic Wine Warehouse and Bensons for Beds.

There are a small number of retail warehouse schemes in the pipeline for Northampton.

An application has been submitted for a residential development near Sixfields Stadium, consisting of up to 255 new homes; we understand that the plans also provide some 144,000 sq ft of retail floorspace, including a 68,000 sq ft foodstore.

Planning permission has also been granted for a mezzanine floor to be added to the Poundland store at Riverside Retail Park, to accommodate Oak Furniture Land.

At the time of the 2020 audit, there were sixteen vacancies on retail and leisure parks in the Northampton area, many of which were at Sol Central leisure development on the edge of the town centre. Most of these vacancies were long term, having also been vacant at the time of our previous audit.

Market conditions in the retail park sector have continued to deteriorate, with corporate failures and store rationalisation programmes affecting occupier demand. This has resulted in a dearth of rental evidence and, whilst many agent sources report rental decline, the rate and extent of this decline is often difficult to quantify for individual parks. This is particularly true in the context of the recent COVID-19 crisis.

Riverside Retail Park at Great Billing, still achieves the prime retail warehouse rents in the Northampton area, where the tone of rent for the park stood at £29-£31 psf according to agents in 2020.

The retail market is clearly struggling and understandably transactional evidence is very limited with the more dated transactions not reflecting the significant falls in value as a consequence of both the pandemic and wider structural issues affecting the sector.

Riverside Retail Park at Great Billing, still achieves the prime retail warehouse rents in the Northampton area, where the tone of rent for the park stood at £29-£31 psf according to agents pre-Covid in 2020.

Closer to Northampton itself, The Range took a large 30,000 sq ft store at St James Retail Park at £14 per sq ft in April 2019.

We understand that Wren Kitchens have agreed to take a vacant unit at Nene Valley Retail Park at £20 per sq ft; the store is expected to open in August 2020.

A letting to Costa Coffee at St Peter's Way Retail Park achieved £26 psf in May 2018, with 12 months rent free.

In terms of investment sales we are aware of the following:

Cambridge Retail Park, Newmarket Road, Cambridge	INITIAL YIELD 6.00%
	High profile retail park with tenants that include Boots, Argos, Sports Direct, Currys PC World, Homebase, SCS, Sofology, Dunelm, Lidl, Halfords, Starbucks, Furniture Village, Nandos, The Gym, Pizza Hut with a WAULT to break of 5.3 years acquired by Railpen in December 2020 for £96,000,000 reflecting a net initial yield of 6.00%.

Templars Shopping Park, Oxford	INITIAL YIELD 7.25%

Retail park extending to 142,352 sq ft with tenants that include Pets at Home, DW, Poundland, Sainsbury's, Costa, Pure Gym, Halfords, Shoe Zone, The Works, JD Sports, Asda Living, Matalan and TK Maxx with a WAULT of 6.2 years to break sold in December 2020 for £45,000,000 reflecting a net initial yield of 7.25%. The average rent is £25.48 per sq ft.

New Hall Hey Retail Park, Rossendale	INITIAL YIELD 7.65%

Retail park extending to 80,000 sq ft with tenants that include Aldi, Home Bargains, Iceland, Pets at Home and Marks & Spencer foodhall with a WAULT of 8.5 years to break and an average rent of £14.55 per sq ft. The retail park sold in January 2021 for £14,250,000 reflecting a net initial yield of 7.65%.

Droitwich Spa Retail Park, Kidderminster Road, Droitwich, WR9 9AY	INITIAL YIELD 7.95%

Out of town retail park extending to 26,887 sqft comprising two units let to B&M and Pets at Home sold in December 2020 to Alternative Income REIT. The property was purchased for £4,750,000 reflecting a net initial yield of 7.95%. The property was producing an income of £403,654 per annum with a WAULT to expiry of 7 years.

Abbey Retail Park, Alvechurch Highway, Redditch, B97 6RF	INITIAL YIELD 7.50%

Out of town retail park extending to 40,090 sqft comprising two units let to B&M and Argos sold in December 2020 for £7,500,000 reflecting a net initial yield of 7.50%. The property was producing an annual income of £605,000 at the time of sale with a WAULT to expiry of 7.8 years.

Lambert Smith Hampton

Bromsgrove Retail Park, Birmingham Road, B61 0DD	INITIAL YIELD 6.20%

Out of town retail park extending to 53,892 sqft comprising five units let to Home Bargains, Food Warehouse, Lidl, Pure Gym and Greggs sold in December 2020 to Staffordshire County Council Pension Fund. The sale price was £13,000,000 reflecting a net initial yield of 6.20%. The property was producing an annual income of £861,782 at the time of sale with a WAULT of 15.7 years to expiry and 10.9 years to break.

Templars Shopping Park, 129 Pound Way, Oxford OX4 3XH	INITIAL YIELD 7.25%

Out of town retail park extending to 142,352 sqft comprising 14 units let to Pets at Home, DW, Poundland, Sainsburys, Costa, Pure Gym, Halfords, Shoe Zone, The Works, JD Sports, Asda Living, Matalan and TK Maxx sold in December 2020 to Federated Hermes. The sale price was £45,000,000 reflecting a net initial yield of 7.25%. The property was producing an annual income of £3,626,518 at the time of sale with a WAULT of 7.1 years to expiry and 6.2 years to break.

St Peters Retail Park, Lichfield Street, Burton upon Trent, DE14 3RH	INITIAL YIELD 8.60%

Out of town retail park extending to 41,732 sqft comprising three units let to Halfords, Pets at Home and Dunelm sold in December 2020 to Brydell Partners. The sale price was £5,500,000 reflecting a net initial yield of 8.60%. The property was producing an annual income of £507,274 at the time of sale with a WAULT of 4.9 years to expiry.

Industrial Commentary

East Midlands take-up reached 10.7m sq ft in 2020, down 15% on the all-time high of 2019. Nonetheless, it was still one the strongest years on record, and the East Midlands retained its status as the most active region of the UK. Take-up in the XL segment fell by 33% to 6.2m sq ft, but this remained the dominant part of the market, accounting for 59% of total activity.

There was a shift in demand as built to suit deals, which drove the market in 2019, declined by 50% to 3.8m sq ft. Conversely, the take-up of speculative new-build and refurbished units nearly trebled, to 4.9m sq ft. However, the largest deals of the year were build-to-suit projects, with Aldi taking 1.3m sq ft at Interlink South, Bardon, and Royal Mail pre-leasing 800,000 sq ft at DIRFT III, Daventry. Meanwhile, DHL completed two separate deals at SEGRO Logistics Park East Midlands Gateway, for 694,000 sq ft and 192,000 sq ft.

APPENDIX 5

STRUCTURAL ENGINEERING FEASIBILITY REPORT PREPARED BY AXIOM STRUCTURES

AXIOM
STRUCTURES

177 Southwark Bridge Road
London SE1 0ED
+44 (0)20 3637 2751
www.axiom-structures.co.uk

Property: **Sixfields,**
Northampton,
NN5 5QA

Client: **Lambert Smith Hampton**

Report: **Structural Engineering Feasibility Report**

AXIOM
STRUCTURES

Table of Contents

1.0 Introduction

We were asked by Lambert Smith Hampton to prepare a structural engineering report regarding the feasibility and proposed types of foundation structure that would be required for the redevelopment of the Sixfields site.

It is currently proposed that the new buildings will consist primarily of industrial and retail warehouses formed from long span steel portal frames. The site layouts and indicative structural foundation drawings have been included as part of the Appendix of this report and should be used for preliminary costing purposes.

This report has been based on the information issued by Lambert Smith Hampton, which has included site plans and a detailed Soil Investigation and remedial works report prepared by Hydrock Consultants Limited. This has allowed for the existing ground conditions to be reviewed and preliminary foundation designs to be put forward.

This report is confidential for use by Lambert Smith Hampton only and is limited to use for the purposes noted. The report is not to be relied upon by third parties.

2.0 Client Brief

Two options are proposed for the redevelopment of the site and used in the foundation design assessment. These are listed below:

Option 1

Retains the household waste recycling centre with the upper plateau accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating two distribution warehouse units extending to 114,690 sq ft and 53,110 sq ft respectively.

Option 2

Assumes that the household waste recycling centre is retained with the upper plateau again accommodating 80,500 sq ft of trade counter/industrial development with the lower plateau accommodating 132,925 sq ft of industrial/trade counter development.

The site plans and preliminary structural framing for each of the buildings are shown within sketch “21077-ASL-SK-01 P1”, which is included in the Appendix.

3.0 Ground Conditions

The ground conditions vary across the site, however, the general sequence encountered is as follows. Construction Made Ground up to 1.8m thick underlain by a stiffer 'Cap' Made Ground, consisting primarily of clay with varying proportions of sand and gravel. Landfill Waste Made Ground to a depth of around 12.3 bgl. This Landfill Waste consists of domestic refuse, commercial and industrial waste, demolition waste and general construction rubble. No engineered lining was observed at the base of the landfill and the landfill is in direct contact with the underlying soils.

During the soil investigation, it was noted that obstructions were encountered within the trial pits and boreholes during excavation. Asbestos Containing Materials were encountered within trial pits in the Made Ground.

Excavations are likely to be unstable (especially in the Landfill Waste Made Ground) and given the variable nature of the soils, random and sudden falls should be expected from the faces of near vertically sided excavations put down at the site. Temporary trench support, or battering of excavation sides, is likely to be required for all excavations that are to be left open for any length of time, and will definitely be required where man entry is required.

Historical groundwater monitoring of boreholes shows highly variable groundwater levels (from between 0.2m to 11.47m bgl). Groundwater monitoring carried out between May to August 2016 confirms this, with groundwater levels varying from 0.32m to 8.0m bgl. The Contractor should consider sump pumping to deal with anticipated flows of groundwater during construction, which will be dependent on the time of year that the build is carried out.

Any water pumped from excavations will need to be passed via settlement tanks (and possibly be treated) before being discharged to the sewer. Discharge consents will also be required.

A cut and fill exercise will be required to provide a level development platform. The design of an earthworks strategy (and associated ground improvement strategy) will also need to take into account the significant cost of waste disposal and remediation proposals to deal with the soil contamination and elevated ground gas concentrations.

Due to elevated concentrations of carbon dioxide and methane, entry to excavations should be limited and excavations should be monitored using gas monitoring equipment by a competent person.

Due to the presence of landfill materials, shallow foundations on the existing strata will not be feasible and will be susceptible to ground movement. It is proposed that all new foundations will be piled foundations.

The chemical analysis results undertaken on soil samples recovered from the site, indicate the following Design Sulphate Classes and Aggressive Chemical Environment of Concrete (ACEC). These have been taken into consideration while specifying suitable concrete grades for the substructure works in our performance specification document.

- DS1 / AC1 (DC1) for the Alluvium, River Terrace Deposits, Northampton Sand Formation and Glacial Lacustrine Deposits
- DS3 / AC3 (DC3) for the General Made Ground
- DS4 / AC4 (DC4) for the Whitby Mudstone Formation
- DS5 / AC5m (DC5) for the Landfill Waste Made Ground

The site contains a moderate to high risk of ground gases (high concentrations but low flows), which will require further testing as the project goes forward. It is advised that gas membranes

177 Southwark Bridge Road
London SE1 0ED
+44 (0)20 3637 2751
www.axiom-structures.co.uk

and ventilation systems will need to be considered. This may result in suspended slabs being required for the ground floors.

Refer to Hydrock SI Report Ref: R/161099/002 for details of soil investigation.

4.0 Structural Design

Each of the warehouse units will be formed using long-span steel portal frames. The height to the eaves varies from 8-12m, with bays spaced at 7m along the length of the building. The typical span of the portal frames is around 20-25m, with the columns bearing down on the foundations below. The roof and wall cladding systems will be supported directly off the primary steelwork and can be easily configured to meet the Client's requirements. Stability of the frames will be provided by the combination of portal frames with horizontal and vertical bracing.

Due to the presence of ground gases, the ground floor slab must be suspended to allow for these gases to be ventilated below the structure. The ground floor slab will be subject to high loading and has been designed based on the following load combinations:

Load Case	UDL	Point Load	Remark
Load Case1	37.5 kN/m^2	-	
Load Case 2	-	Single point load 75 kN	
Load Case 3 Load from Storage Rack	UDL from pallet stored directly on floor = 10 kN/m2	Two point loads- Each of 30 kN	Distance between point loads = 300mm Loaded area for each load = 100mmx100mm
Load case4 Fork lift load for Fork lift type FL3	-	Two point loads Each of 31.5 kN	Distance between loads = 1m Loaded area for each load 200mmx200mm Dynamic factor Pneumatic tyres = 1.4 Solid tyres = 2

Figure 1: Industrial Unit Slab loadings

This has resulted in a 300mm thick RC suspended slab being required, which is supported off a series of 1000mm deep by 750mm wide RC ground beams that bear down on to regularly spaced piles. The design of the RC slab has been based on a maximum pile spacing of 5m. We have allowed for 450mm diameter piles, with the minimum width of the ground beam being 300mm wider than the pile diameter.

We believe piles are the only suitable foundation solution due to the existing soils being very poor quality due to the presence of the landfill. Hydrock Consulting Limited have put forward a series of remediation measures to improve the quality of the ground for low loads but we believe that the higher loads of the structure can only be supported off the good ground that is located below the Landfill Made Ground. The soil report states that the base of the Landfill Made Ground is at around 12.5m below ground level, so we would advise that the piles extend to around 5m

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beyond this level to account for variation is depth across the site and to ensure good bearing. Note that the final design of the piles is the responsibility of the Piling Contractor.

We would estimate the reinforcement densities of the suspended ground slab to be 250 kg/m^3 and 230 kg/m^3 for the reinforced concrete beams.

An indicative structural arrangement has been shown in drawing 21077-ASL-ZZ-00-DR-S-0100. This framing can be replicated for all structures within the proposed development.

APPENDIX

STRUCTURAL COLUMN SCHEDULE		
REF	SIZE	COMMENTS
C1	SIZE TBC	

STRUCTURAL FOUNDATION SCHEDULE		
REF	SIZE	COMMENTS
GB1	750x1000 dp	

Preliminary Reinforcement Densities:

Slabs = 250kN/m^3
Beams = 230 kN/m^3

NOTES:

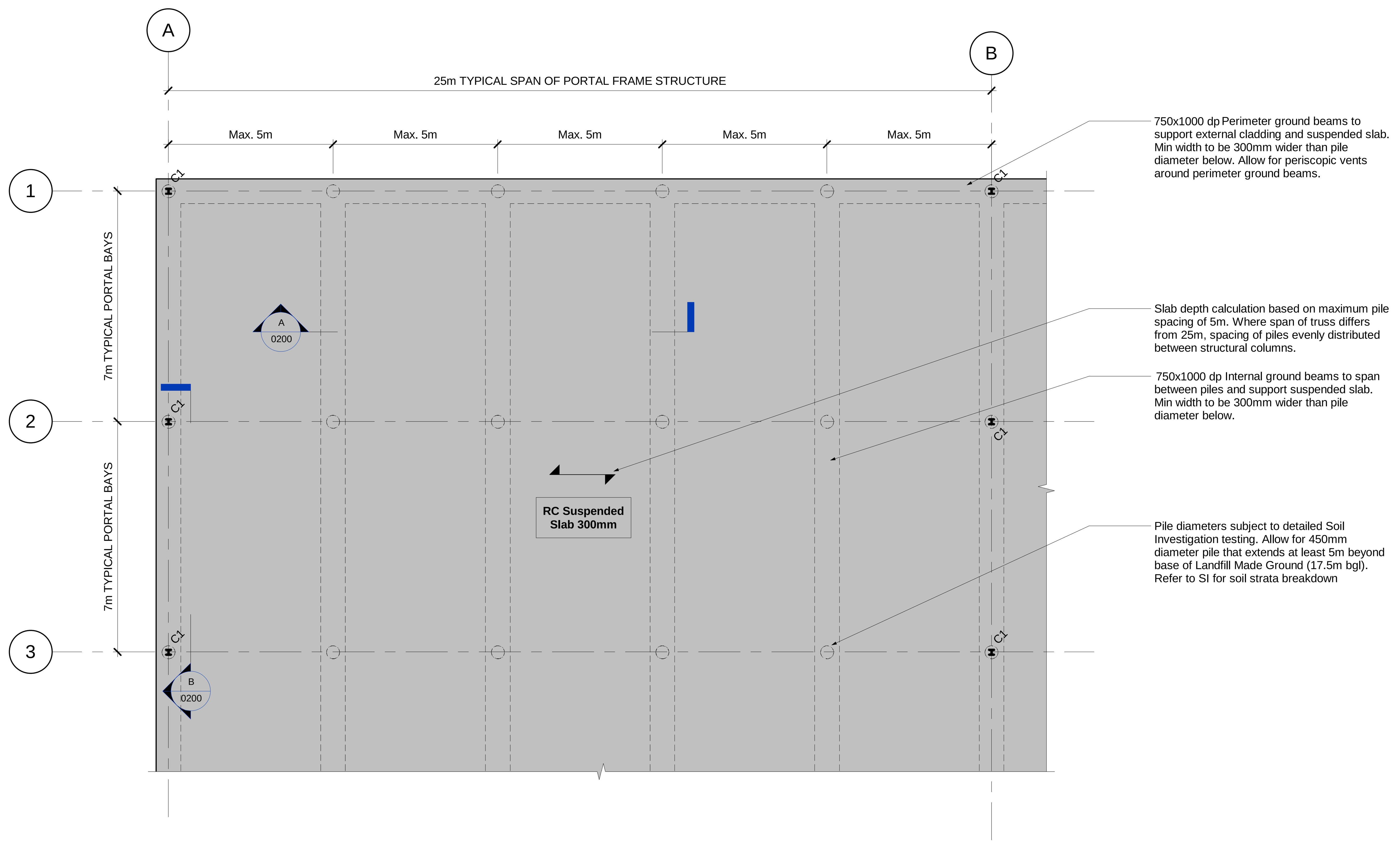
1. If in doubt, please ask.
2. Do not scale this drawing. Any discrepancies are to be reported to the engineer immediately.
3. All dimensions in millimetres, unless noted otherwise.
4. All dimensions and levels are to be checked on site by the contractor prior to preparing any working drawings or commencing on site.
5. The contractor must ensure and will be held responsible for the overall stability of the building/structure/excavation at all stages of the work.
6. All work by the contractor must be carried out in such a way that all requirements under the health and safety at work act are satisfied.
7. All work is to be carried out in compliance with the requirements of the relevant statutory authorities and regulations.
8. **To be read in conjunction with General Notes Drg.No.** 21077 -ASL-ZZ-XX-DR-S-0002.

LEGEND (SUPERSTRUCTURE)

New Reinforced Concrete

New Steel Column

Two way spanning 300mm thk RC slab of normal weight concrete slab.



GROUND FLOOR PLAN

1 : 100

NOTE:
This arrangement is applicable to all portal frame structures. Where the dimensions of the frame differ from those shown below, the number of piles is to be increased accordingly, with the maximum distance being limited to that shown in the drawing.
The drawing is for costing purposes only and is subject to further detailed design and soil testing.

ALL SERVICE PENETRATIONS ARE TO BE FORMED APPROXIMATELY AT THE MID-SPAN AND MID-DEPTH OF THE RC BEAM. THE CONTRACTOR SHOULD ALLOW SUITABLE COSTS TO COORDINATE AND FORM THE OPENINGS

!

IMPORTANT CDM/H&S NOTE

The designers highlight the significant Residual Health and Safety risks that have not been eliminated from the designs. These significant Residual Risks are identified below. This note refers to significant residual risks as defined in CDM legislation. Other health and safety risks associated with construction activities may be present.

!	- Ensure that ground improvement techniques are undertaken to the soil in line with Hydrock Consultants Limited reports prior to commencement of piling. - Ensure adequate allowance for piling mat

P1	16.07.21	Preliminary	JA	RN
Rev	Date	Amendments	By	Chkd

PRELIMINARY

AXIOM STRUCTURES
+44 (0)20 3637 2751
office@axiom-structures.co.uk
www.axiom-structures.co.uk

Client:
LAMBERT SMITH HAMPTON

Project:
SIXFIELDS, NORTHAMPTON

Drawing title:
GROUND FLOOR PLAN

Date: **MM/YYYY**	Scale at A1: **As indicated**	Scale at A3:
Drawn by: **JA**	Designed by:**RN**	Chk'd by: **AB**

PROJECT	ORIGINATOR	ZONE	LEVEL	TYPE	ROLE	NUMBER	REVISION
21077	- ASL -	ZZ	- 00 -	DR -	S -	0100 -	P1

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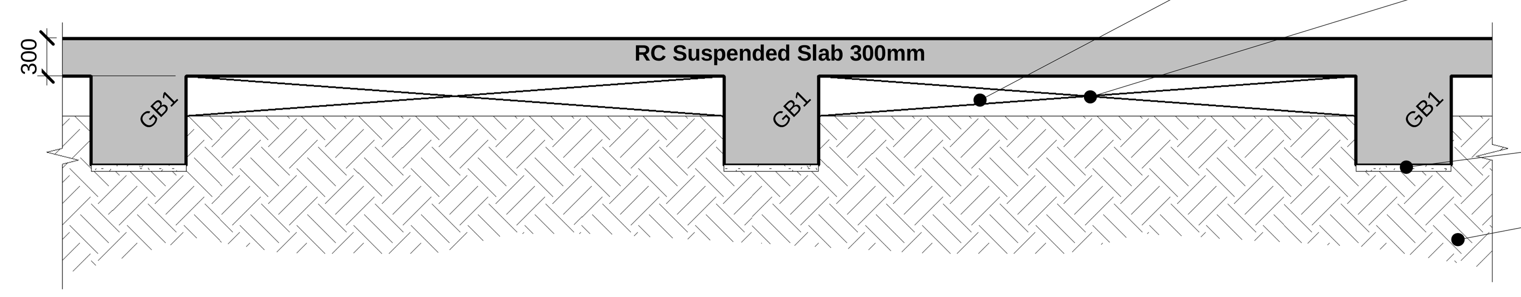
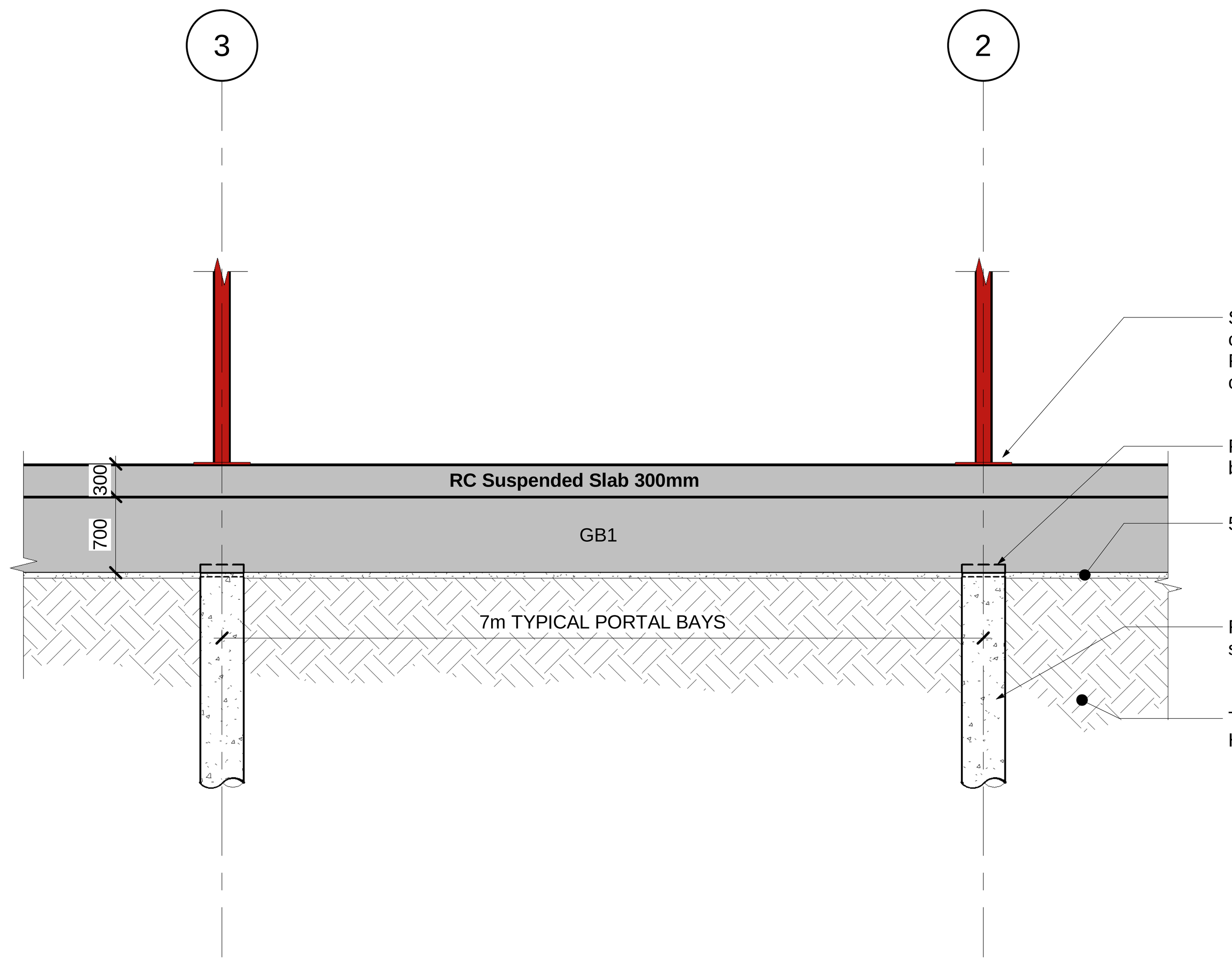
Xreference file path :
User and Plot Date : 16/07/2021 15:51:27



A SECTION
1 : 50



B SECTION
1 : 50

NOTES:

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Rev	Date	Amendments	By	Chkd
P1	16.07.21	Preliminary	JA	RN

PRELIMINARY

AXIOM STRUCTURES
+44 (0)20 3637 2751
office@axiom-structures.co.uk
www.axiom-structures.co.uk

Client:
LAMBERT SMITH HAMPTON

Project:
SIXFIELDS, NORTHAMPTON

Drawing title:
SECTIONS 1

Date:	Scale at A1:	Scale at A3:
MM/YYYY	**1 : 50**	
Drawn by: **JA**	Designed by:**RN**	Chk'd by: **AB**

PROJECT	ORIGINATOR	ZONE	LEVEL	TYPE	ROLE	NUMBER	REVISION
21077	- ASL -	ZZ	- ZZ -	DR -	S -	0200 -	P1

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Xreference file path :
User and Plot Date : 16/07/2021 15:52:05

OPTION 1 - 'RETAIL' WAREHOUSES

Revision C - Road widening added to Walter Tull Road & pond length/size increased to suit Class B 15July16
Revision B - Landscape added 11July16
Revision A - Revised Class B layout 9July16

Drawn	ASR
Client	Northampton Borough Council
Date	June 2015
Project	Sixfields Residential Development
Scale	1:1000@A1
Drawing	Master Plan Layout inc Class B
Drawing No.	2015/93/107
Revision	C

Stimpson Walton Bond
Chartered Architects
CDM Principal Designer
59 York Road Northampton NN1 5QL
Telephone:(01604) 633155
E mail: swbarchitects@btconnect.com
Web: www.stimpsonwaltonbond.com

OPTION 2 - LARGE, INDUSTRIAL WAREHOUSES