

Lodge Road closure budget – briefing note

Abbey Centre

Abbey centre is part of the opportunity in rationalising our office space across west northants whilst creating a public centre hub meeting the needs and expectations of residents.

Pre contract estimates up to £1m

Retaining staff from range of council services whilst also providing drop down space and meeting rooms required to implement modern ways of working.

The plans for the building allow for the retention of all current voluntary sector partners with alternative provision for the shopability being discussed ensuring retention of this service within the town.

Currently there is one private sector commercial business within Abbey however alternative and improved space has been identified as part of this process.

Creates WNC/Children's Trust hub, with rounded set of services for families.

Initial interest has been identified in regard to the lodge road with soft market testing providing initial estimates in regard potential rent or values

Ongoing savings estimates

Item	£
<i>Lodge Road costs</i>	- 495,097
<i>Lodge Road income</i>	122,424
Lodge Road net	- 372,673
Increased Abbey costs from more intensive use	70,476
Abbey lost income (loss of commercial use)	17,108
Retained JCP income (assumes space for JCP created at rear of Leisure Centre)*	- 21,150
Net position	- 306,239
Option 1 – Lease	
Capital financing costs	147,000
Rental income	- 348,670
<i>Overall position</i>	- 507,909
Option 2 – Sale (assumed £4.5m)	
Capital taken from sale value, so no capital financing costs	-
Saving from borrowings at 1.5%	- 37,500
<i>Overall position</i>	- 343,739

Note: * See below, under Leisure Centre

The revenue income assumed is based on existing rents charged to tenants at the Abbey.

Leisure Centre

Identifies underutilised space with the leisure centre

Early discussion in regard the retention of the Job Centre Plus has led to this space being considered.

Design at much early stage in regard to design and estimates and therefore a figure has been set which represents higher risk and lower level of knowledge therefore would expect through the process for this figure to reduce. Currently set at £1m

Next steps would be to develop a full business case, this is essential in justifying the future spend and likely income to justify the costs. The works will only progress if the business case provides robust evidence that the finances and investment opportunity is clear