

# SALISBURY CITY COUNCIL

## Report

**Subject** : Tollgate Road Depot Costs  
**Committee** : Environment & Climate Committee  
**Date** : 01 July 2024  
**Author** : Marc Read, Head of Environmental Services

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### 1. Report Summary:

1.1. This report sets out how details relating to the costs associated with the purchase and renovation works of the Council's new depot at Units 2-3, 115 Tollgate Road, Salisbury

### 2. Background

- 2.1. In November 2021, Council was presented with an exempt paper outlining a proposal to purchase Units 1-3, 115 Tollgate Road, Salisbury and relocate its operations from its existing leased premises in Harnham.
- 2.2. The cost of purchasing the depot (less VAT) totalled £1,526,500 and was funded through the Public Works Loans Board over a 30 year term.
- 2.3. The annual cost of the lease in Harnham totalled £89,841 with the loan repayment being £68,844.
- 2.4. The estimated costs to refurbish the Tollgate Road depot were presented as £254,800.

### 3. July 2023

- 3.1. In July 2023, following a procurement exercise and further investigations into the refurbishment of Tollgate Road a paper was presented to the Finance & Governance Committee detailing that the estimated costs for the refurbishment of the depot now stood at £435,000.
- 3.2. The reason given for the increased costs included building material inflation and an amended specification to more accurately reflect the council's long term needs. E.g. Infrastructure to support the charging of EV vehicles.
- 3.3. The budget was increased as thus:

<b>Budget</b>	<b>Amount</b>	<b>Comment</b>
23/24 PRK ENV 20003 – New Depot Development	£50,000	
22/23 PRK ENV 20003 – New Depot Development`	£245,000	Carried forward from 22/23
Poultry Cross Insurance pay out offset	£50,000	
Residual funds from PWLB loan	£50,000	
Dilapidations payment received in respect of 47 Blue Boar Row	£40,000	
<b>TOTAL</b>	<b>£435,000</b>	

3.4. Any further costs were expected to be covered by underspend on other budget lines.

#### 4. July 2024

4.1. Following the year end budget outturn report, the final figure of works relating to the Tollgate Road depot stands at £528,711.

4.2. The additional costs include the replacement of all shutter doors which were deemed unsafe, additional works required by building control and costs associated with obtaining an Environment Agency permit to operate from site.

4.3. These unbudgeted costs of £93,711 were mitigated by capital underspends across the Environmental Services Team as follows:

<b>Budget</b>	<b>Underspend</b>
Play Areas	£23,352
Planned Infrastructure Maintenance	£8,190
Camping & Caravan Club Electric Hook Ups	£4,628
Public Conveniences Upgrade	£62,070
<b>Total</b>	<b>£98,240</b>

4.4. The only remaining capital spend relating to Tollgate Road depot that has not been fully costed and budgeted is associated with the de-watering/wash down facility. The specification for this has to be approved by the Environment Agency as part of the permit application. The original estimate for this was £54,000, but initial conversations with the Environment Agency suggest that the facility required is of a larger/higher specification so this estimate is almost certainly undervalued.

4.5. Salisbury City Council Officers have mitigated the issue of not having a de-watering bay/washdown facility, so that services can continue to operate by securing a short term licence agreement with Wiltshire Council to use their facility at Churchfield Industrial Estate. Wiltshire Council have emphasised that this is not a long term solution and cannot accommodate us indefinitely.

#### 5. Recommendations

5.1. It is recommended that the Committee:

- Note the report
- Make provision for the dewatering bay/washdown facility in the 2025/26 budget when costs are known.

1. **Wards Affected:** All

2. **Background Papers:** DOC84077 (Exempt) & DOC91533

3. **Implications:**

3.1. **Financial:** As outlined above.

3.2. **Personnel:** Nil in relation to this report.

3.3. **Environmental Impact:** Nil in relation to this report.

3.4. **Equalities Impact Statement:** Nil in relation to this report.