



Rutland County Council

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RECORD OF OFFICER DECISIONS

In accordance with The Openness of Local Government Bodies Regulations 2014, this document records decisions that would otherwise have been taken by the relevant local government body, or a committee, sub-committee of that body or joint committee in which that body participates but have been delegated to an officer of that body.

DECISION TAKER (name and title)
Name: Helen Briggs
Title: Chief Executive
DELEGATION GIVEN UNDER
<input type="checkbox"/> A specific express authorisation (at a meeting, include date and name of meeting).
<input checked="" type="checkbox"/> Under general authorisation (in the constitution or other document stating what section applies):
<u>Cabinet Report No. 191/2016</u>
Decision No 3: Cabinet AGREED that authority be delegated to the Chief Executive and relevant Portfolio Holder to add small schemes (less than £50k) to the capital programme on the condition that all decisions are reported in the Quarterly Finance Report (Report No. 191/2016, Appendix A, para 2.4.4).
THE EFFECT OF THE DECISION
<input type="checkbox"/> Grant a permission or Licence
<input type="checkbox"/> Affect the rights of an individual
<input checked="" type="checkbox"/> Award a contract or incur expenditure which materially affects the council's financial position
ARE YOU FOLLOWING A PROCESS TO COME TO THE RESULTED ACTION OR ARE YOU MAKING A CHOICE BETWEEN TWO OR MORE ALTERNATIVES?
<input checked="" type="checkbox"/> Following a process – No further action required
<input type="checkbox"/> Choosing between alternatives

IS THE RECORD OF THE DECISION, INCLUDING THE DATE, DECISION AND REASONS ALREADY PUBLISHED IN ACCORDANCE WITH ANY OTHER STATUTORY REQUIREMENT?

- ☒ Yes Commercial Investments Project Board meeting – No further action required. Supported by Cllr Brown & Cllr Hemsley for commercial property investment board.
- ☐ No

Continued...

TITLE OF DECISION

Approve capital spend for conversion of remaining laboratories and ancillary works at The King Centre

PURPOSE OF THE DECISION

To facilitate conversion & subdivision of Greetham & Cottesmore Suites (former college laboratories) to enable them to be let to private sector commercial tenants thus generating an additional income stream for the Council.

DECISION DETAIL

- a. On the first floor, there are two laboratories, Greetham & Cottesmore in which there has been almost no rental interest to date, either because they offer poor quality lab space which is too basic to be of commercial interest or due to their larger size...or a combination of the two.
- b. Whilst these spaces stand empty, the Council, as landlord, is liable for payment of annual business rates on them of £7,888 (being £4,190.50 for Greetham and £3,697.50 for Cottesmore. NNDR has been included in the financial summary table (section 3) as a reduced cost.
- c. We have firm interest from a number of businesses seeking smaller office spaces (around 300sqft) and conversion of the labs to traditional offices will result in them being let quickly as was the case with Ketton Suite which was also originally a lab and the subject of a previous capital allocation.
- d. It is therefore proposed that these two labs are each split into two by way of a new partition wall down the centre of each room. Sinks and cupboards (and gas taps in the case of Greetham) will be stripped out. They will be decorated to a basic standard and a budget, commercial grade carpet laid. Some minor compliance works will also be required to revise emergency and automated lighting, intruder alarm, access control and smoke detection etc. Data & electrical sockets will need to be added/relocated as necessary. Greetham already has two entrance doors but Cottesmore will require a new entrance door to be formed leading from one of the first floor corridors. The total cost for these elements of the proposed works is estimated at £18,000.

- e. At the time of writing, there exists very firm interest in Greetham Suite 27b (349sqft) subject to conversion to an office and tentative interest in Greetham Suite 27a. None of the proposed new office suites are being marketed as yet.
- f. On the ground floor, use of our permanent meeting room, Hambleton is impeded as the room also contains the main tenants' kitchen/welfare facility. Tenants have been complaining about lack of availability of the meeting room when the kitchen is in use and vice versa so it is proposed to install a simple partition wall and reinstate an original doorway leading into the kitchen from the main corridor. The cost for these works is estimated at £3,500 which will significantly improve building operation. Separation will also enable the Council to hire out the Hambleton meeting room to non-tenants at a cost of £20/hour + VAT or £100/hour + VAT/day.
- g. The first floor roof is believed to have been installed around 30 – 40 years ago and hence has significantly exceeded its life expectancy. It is leaking badly when it rains in a couple of places, particularly in the Cottesmore lab where large pools of water accumulate on the floor. Replacement is now long overdue but quotations for this have been received in the region of £50k. It is therefore proposed that until the sinking fund for building maintenance has reached that level (projected at 2021/22, business plan year 5), simple patch repairs are carried out in the interim at a cost of around £1,500.
- h. Property Services surveyors have also flagged a need to take samples of some asbestos-type fascia material for analysis at a cost of around £2,000. This will need to be completed before any roof repair works can commence and further costs may be incurred to facilitate removal of any material identified as being dangerous if it is not practical to make it safe and subject to regular inspections.

Note: A further part of the original proposal was to subdivide Langham suite (a former classroom on the first floor) to form up to 3 smaller offices. However, with an estimated cost of £12,000 it is recommended that this be placed on hold and reviewed once Greetham and Cottesmore suites have been refurbished and are occupied as the ROI will be small and the conversion of this space, due to the layout and single access point to the room, will result in a new corridor area within the existing Langham suite that will need to be classed as communal space and thus rent cannot directly be charged on it. By subdivision of all of the larger rooms, the Council also risks leaving The King Centre without any growing-on space for existing tenants seeking to expand and for any new tenants seeking larger units.

A breakdown of costs and income for each space included in the proposal is as follows:

This table itemises works cost, income, NNDR and ROI etc. for each of the works elements as applicable.	Cost	Rent (R) & Service (S) (pa)	NNDR (reduced cost)	Payback (cost/income + NNDR reduced cost)
Works Element				

Greetham Installation of separating wall, adapt ceiling/wall junction Removal of sinks and units Isolation of gas and water and drainage Access control works – Re programme unit Intruder alarm modification Adapt lighting & switching Soundproofing New carpet tile finish Decorations Builders work	£8,000	£11,452 <i>R: £6,718</i> <i>S: £4,734</i>	£4,191	6 months
Cottesmore New separating wall Adapt wall & ceiling junction Additional fire detection New Entrance door New access control Adapt lighting & switching Removal of sinks and units Isolation of gas and water and drainage Intruder alarm modification Soundproofing New access door (FD 60) Builders work	£10,000	£9,535 <i>R: £5,820</i> <i>S: £3,715</i>	£3,698	9 months
Hambleton (mtg rm) New separating wall (FD30) New access door (FD 60) Adapt lighting & switching Additional smoke detector Decorations Adapt ceiling/wall junction Soundproofing	£3,500	n/a	n/a (included in common areas total)	n/a
Roof repairs (first floor) Patch repairs (£1.5k) Asbestos investigation (£2k)	£3,500	n/a	n/a	n/a
Totals	£25,000	£20,987 <i>R: £12,538</i> <i>S: £ 8,449</i>	£7,889	10.5 months

Note NNDR costs are total rateable values. Around 48% is payable by the Council at present.

REASON FOR THE DECISION

To generate additional revenue for the Council and reduce costs in that responsibility for NNDR payments will pass to the incoming tenants. A payback period of less than 12 months renders this a straightforward and economically viable proposal. It will also provide space for four additional business tenants with associated economic & employment benefits. Clearly the roof repair on the first floor is essential to enable these new spaces to be let and to futureproof the building going forwards.

OTHER OPTIONS CONSIDERED AND REJECTED

Leave the units vacant – this is an option but will result in the Council continuing to pay the NNDR and the spaces would not generate any income.

LOCAL GOVERNMENT BODY DECLARATION OF CONFLICT OF INTEREST OF MEMBERS GIVEN IF AUTHORISATION WAS GIVEN AT A MEETING

n/a

SUMMARY OF EXEMPT OR CONFIDENTIAL INFORMATION NOT DISCLOSED

n/a

Signed..........

Date.....15/10/18.....

