

## CABINET

18<sup>th</sup> August 2020

### OAKHAM ENTERPRISE PARK SITE INFRASTRUCTURE CHANGES

#### Report of the Strategic Director Places

Strategic Aim:	Priority 1 – Delivering Sustainable Development  Priority 2 – Vibrant Places  Priority 4 – Customer Focussed Services	
Key Decision: Yes	Forward Plan Reference: FP/120620	
Exempt Information	No	
Cabinet Member(s) Responsible:	Cllr G Brown (Deputy Leader and Portfolio Holder for Planning, Environment, Property and Finance)	
Contact Officer(s):	Mona Walsh Head of Property Services	Tel: 01572 7208391 MWalsh2@rutland.gov.uk
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Ward Councillors	Cllr J Fox (Exton Ward)	

#### DECISION RECOMMENDATIONS

That Cabinet:

1. Approve the additional revenue funds to pay for the Mothballing of Unit 5 Oakham Enterprise Park for the following as per the table in para 2.1
  - a) One-off costs £3,500
  - b) Annual Costs/Lost Income £48,600
2. Approve a new capital budget for the replacement of fencing to the derelict element of Oakham Enterprise Park with Timber Hoarding at a cost of £10,500
3. Approve the creation of new Capital Project for the provision of a new access entrance facility with supplementary mini roundabout at Oakham Enterprise Park (Gate One) at a cost of £68,000

#### 1 PURPOSE OF THE REPORT

- 1.1 The Council as commercial landlord of Oakham Enterprise Park is obliged to keep its premises in good or substantial repair and condition as stipulated by a combination of responsibilities laid down in legislation and local lease agreements

- 1.2 In accordance with those obligations, this report presents a proposal to address safe primary access/egress arrangements onto the site by replacing the current arrangements with a suitable and sufficient two way access road and mini roundabout solution for which approval for capital funding is required.
- 1.3 Additionally, due to successful termination of tenancy arrangements and relocation of businesses affected at Unit 5 following the identification of non-reconcilable health and safety matters a decision is now required about the future of this unit and approval for funding of such action.
- 1.4 To inform Cabinet of the installation of close boarded hoarding to the demolished prison block western boundary that will provide enhanced site protection whilst improving aesthetics to the commercial envelope at a cost of approximately £10,500.

## **2 BACKGROUND AND MAIN CONSIDERATIONS**

- 2.1 Unit 5 Oakham Enterprise Park was until recently occupied by eight individual tenants. Following a survey a decision was made to vacate the units on health and safety grounds as costs to remediate non-compliance would have exceeded all anticipated income potential. All businesses were successfully relocated. Demolition of the units would result in exceptional expenditure in the order of £350,000 involving the remodelling of utilities that serve the wider site and asbestos removal works. Unit 5 does not currently present an aesthetic or structural challenge therefore mothballing it pending a future site wide property strategy presents a more fiscally favourable solution. The costs to make safe the building in a dormant state shown below are a prudent view on estimated costs. The Council will look to minimise these wherever possible.

Description	One Off Costs (£)	Ongoing Annual Cost
Isolation of key utilities and services	2,500	
Making safe asbestos containing materials	1,000	
Provision of ongoing monitoring		300
Business Rates		15,400
Insurance		2,000
Utility Standing Charges		900
Lost Rent and Service Charge		30,000
<b>Total</b>	<b>3,500</b>	<b>48,600</b>

- 2.2 Developing a long term strategy for the site, following the failure of the Phase II development, will enable the Council to address significant legacy issues at Oakham Enterprise Park affecting building regulations and provision of services and utilities to tenants and other users.
- 2.3 The derelict land and aggregate spoil heap located towards the centre of Oakham Enterprise Park site presents an adverse aesthetic and increasing safety concerns due to delays associated with development expectations and lack of demand for graded aggregate at this time. A proposal to change the temporary Heras fencing solution along the western boundary for a more secure timber hoarding design that will provide effective screening and background for tailored marketing activities

has been agreed by the Commercial Property Project Board in May 2020 at a provisional cost of £10,500, subject to Cabinet approval.

- 2.4 Oakham Enterprise Park benefits from two primary access gates, two secondary access gates and one additional emergency access only gate for use by the fire service. These gates are legacy prison installations with those at entrance one presenting a number of enhanced hazards to users on the site as a result of their design and physical size.
- 2.5 An investigation into potential solutions which would enhance the overall aesthetic appearance of the park, also provide improve site access control, meet essential health and safety criteria (such as segregation of vehicles and pedestrians and improve traffic flow) and mitigation of hazards associated with access/egress from the Ashwell Road public highway has now been completed.

### **3 ACCESS OPTIONS ASSESSED**

- 3.1 Investigations' key findings highlighted a number of physical attributes that require detailed consideration when forming the four options submitted to the Commercial Property Board in May 2020. They included:

**Option 1** – Formation of new entrance access road with separate pedestrian footpath

**Option 2** – As option one with control barriers.

**Option 3** – As option one with supplementary mini roundabout to manage traffic flow behaviour on site.

**Option 4** –Take no action.

- 3.2 Commercial Property Board considered the various challenges and opportunities of each proposal and recommended that Option 3 be submitted as the preferred solution at a price of £68,000

### **4 CONSULTATION**

- 4.1 Formal and informal tenant consultation has identified increasing dissatisfaction with the safety and security of the primary access route into Oakham Enterprise Park with requests for improvement to be undertaken that will address these, along with the appearance of the site.

### **5 ALTERNATIVE OPTIONS**

- 5.1 Design consideration options were considered by the Commercial Property Board and found to be insufficient to address many of the specific site challenges. A no action option was considered but identified as not conducive to attracting future clients and presenting an enhanced risk to the landlord in respect to potential claims for injury.
- 5.2 As per paragraph 2.1 the demolition of unit 5 was considered. The high costs of demolition (£350k) meant that this option was not deemed to be cost effective at this point in time.

5.3 Cabinet could choose to fund the works via a different method as detailed in section 6, but as the other options would incur additional revenue costs it is not advised.

## **6 FINANCIAL IMPLICATIONS**

- 6.1 The financial implications regarding the mothballing of unit 5 is shown in paragraph 2.1
- 6.2 The costs associated with the fencing and the expenditure in relation to the works on the main entrance to OEP is in relation to how to fund the expenditure, there are a few options detailed below.
- Prudential Borrow – this would incur additional costs, the minimum cost for the borrowing would be c£3,000 per annum.
  - Capital Receipts – The Council is currently holding £1.5m of Capital Receipt's that is not currently committed
  - Revenue Contribution – the revenue position of the Council does not allow for this level of investment.
- 6.3 The recommended option is to use capital receipts to fund both the Entrance and Fencing works (totalling £78,500) as the council has available resources and it would not require any additional revenue costs to support.

## **7 LEGAL AND GOVERNANCE CONSIDERATIONS**

- 7.1 As stated in section 1 the Council has a statutory obligation to ensure that the property it leases are maintained to an acceptable level so investment in the site is required to meet this obligation.
- 7.2 The Council's Financial procedure rules require additions to the capital programme above £50k to be approved by Cabinet. The recommendations within the report ensure these requirements are met.

## **8 DATA PROTECTION IMPLICATIONS**

- 8.1 A Data Protection Impact Assessments (DPIA) has been completed. No adverse or other significant risks/issues were found. A copy of the DPIA can be obtained from (report contact person's details)

## **9 EQUALITY IMPACT ASSESSMENT**

- 9.1 An Equality Impact questionnaire has been completed. No adverse or other significant risks / issues were found. As such, a full Equality Impact Assessment (EqIA) has not been completed.

## **10 COMMUNITY SAFETY IMPLICATIONS**

- 10.1 Maintenance of these assets in accordance with statutory and regulatory controls will prevent users of the amenities being at risk of harm. Typical risks would include, slips, trips or falls, impact with motor vehicles, threat of personal attack and/or harm resulting from theft or vandalism of assets or personal effects.

## **11      HEALTH AND WELLBEING IMPLICATIONS**

11.1 Provision of a well maintained and cared for environment will ensure workers and visitors to the site are able to carry out their daily activities safely whilst contributing to the sustainability of the asset and future carbon footprint.

## **12      ORGANISATIONAL IMPLICATIONS**

### **12.1    Procurement Implications**

12.2 The proposed works incorporate three distinct packages of work namely:

- a) Installation of highways works to form new entrance solution via Rutland County Councils highways framework partner Tarmac Construction.
- b) Making safe & isolation where necessary of utilities and services within Unit 5 in accordance with statutory regulations.
- c) The installation of replacement timber hoarding to on the western boundary of the old demolition site.

12.3 These will be procured separately in accordance with the Council's current financial standing orders and procurement policy supporting local SME's where possible.

## **13      CONCLUSION AND SUMMARY OF REASONS FOR THE RECOMMENDATIONS**

13.1 The Council is required by a variety of statutory and regulatory duties, primarily

- Health and Safety at Work Act etc.1974 and
- Landlord and Tenant Act 1954

Ensuring business premises are 'well maintained, safe and healthy places for people to visit and work, so far as reasonably practicable'.

13.2 The use of Oakham Enterprise Park as a site for local employment and training now requires additional investment to ensure safe access/egress, security of redundant units and land is maintained to a satisfactory standard as defined by regulatory duty and local lease agreements.

13.3 An inability to maintain this asset in accordance with the above may result in reduced future lettings and an increased risk profile as tenants perceive adverse impact on their business and employees.

13.4 Proposed solutions that have been specified to remediate the challenges presented at Oakham Enterprise Park offer sustainable and resilient solutions that are suitable and sufficient and will not effectively sterilise future development opportunities.

## **14      BACKGROUND PAPERS**

14.1 No background papers

**15 APPENDICES**

15.1 No appendices

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