

CABINET

16 April 2024

CORPORATE ASSET REVIEW AND IMPLEMENTATION

Report of the Portfolio Holder for Property, Planning and Economic Development

Corporate Priority	Provide good public services	
Exempt Information	Yes, Exempt Appendix A-D contains exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A:	
If yes, please state relevant paragraph from Schedule 12A LGA 1972:	Information relating to the financial or business affairs of any particular person (including the authority holding that information).	
Exemption authorised by Chief Executive or in his absence by Strategic Director:	Yes	
Cabinet Member(s) Responsible:	Cllr P Browne: Portfolio Holder for Planning, Property and Economic Development Cllr A Johnson: Deputy Leader and Portfolio Holder for Governance and Resource	
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Ward Councillors	All	

1 SUMMARY AND RECOMMENDATIONS

1.1 Summary

- 1.2 This report is to update Cabinet on the Strategic Outline Business Case for Asset Transformation (seven key assets), obtain approval in principle for the recommendations, and implementation on a self-funding basis.

1.3 The recommendations set a strategic direction of travel to rejuvenate and repurpose key assets and sell redundant assets.

1.4 The proceeds of sale together with revenue efficiencies and borrowing will be used to implement delivery.

1.5 **Recommendations**

1.6 That Cabinet Approves the Asset Review Business Plans and overarching programme of delivery for Phase 1 (Catmose House, Museum and Catmose Cottage) and:

1.7 Delegates authority to Strategic Director Places, in consultation with the Portfolio Holder for Planning and Property, and the Portfolio Holder for Governance and Resource, to commission further technical advice as necessary to work-up options.

1.8 Delegates authority to Strategic Director Resources, in consultation with the Portfolio Holder for Planning and Property, and the Portfolio Holder for Governance and Resource, to market property for disposal (Catmose House, Ashwell Cottage and Ashwell Business Units).

1.9 Delegates authority to Strategic Director Resources, in consultation with the Portfolio Holder for Planning and Property, and the Portfolio Holder for Governance and Resource, to make changes that support income generation from property assets in accordance with Draft Asset Strategy.

1.10 Delegates authority to Strategic Director Resources, in consultation with the Portfolio Holder for Planning and Property, and the Portfolio Holder for Governance and Resource, to transfer Jules House to the LUF Programme to facilitate delivery of a new community asset, in accordance with the LUF grant. This will include approval of spend as dictated by the Contract and Grant Procedure Rules.

1.11 Delegates authority to Strategic Director of Resources, in consultation with the Portfolio Holder for Planning and Property, and the Portfolio Holder for Governance and Resource, to facilitate delivery of the above items on a self-funding basis (i.e. cost neutral with no additional budget pressure to the Council)

Reasons for Recommendations

1.12 To implement the Asset Transformation, by rethinking the delivery of Cultural Services and repurposing the Museum to co-locate the administrative functions of the Council in one building or to concentrate its office function at Catmose House and its cultural and community offering at the Museum.

1.13 Asset transformation will deliver the Council's Corporate Priorities to support; a diverse and sustainable local economy, provide good public services, support the most vulnerable and tackling the climate emergency.

1.14 The sale of redundant assets will generate capital receipts that can be reinvested to provide modern flexible accommodation that will improve efficiency, reduce property related financial liabilities and drive a positive cultural change in working practice.

2 INTRODUCTION

2.1 The Council is strategically reviewing its seven key assets to maximise their potential in terms of financial and commercial gains, enhanced service delivery together with socio-economic and regeneration benefits.

2.2 The seven Key Assets are:

- Catmose House
- Museum
- Catmose Cottage
- Oakham Enterprise Park (OEP)
- The King Centre (KC)
- Jules House
- Ashwell Business Units & Ashwell Depot

2.3 A number of options were considered for each of the Seven Key assets, ranging from Do Nothing to Disposal and a score generated against a criterion.

3 ASSET TRANSFORMATION AND IMPLEMENTATION

3.1 The Council has a small, varied portfolio which includes buildings of historic significance. Most properties were not originally designed or planned for their current use. As a result, a lot of the Council's accommodation is no longer fit for purpose.

3.2 Having reviewed the recommendations and acknowledging the interdependencies between properties; a portfolio-wide approach to Asset Transformation has been developed to support the Council's Corporate Priorities.

3.3 The Council has also considered and concluded that the delivery and implementation of the Asset Transformation needs to be phased and spread over a longer timeframe to recognise the limitations of resource, capacity and the potential disruption to Services.

3.4 **Phase 1: Assets will include:**

- Catmose House
- Rutland County Museum
- Catmose Cottage

3.5 Catmose House

3.6 Catmose House is a substantial G2 Listed mansion, together with later extensions over ground and first floor. The buildings are currently used as the Council's administrative offices, including the Council Chamber, with associated car parking set in mature grounds.

3.7 The old mansion house is not fit for modern office purposes.

3.8 In addition, the general running costs together with ongoing annual repair and

maintenance present a significant lifecycle liability.

3.9 The latter two storey extension offers good, flexible, open plan accommodation but is in need of refurbishment.

3.10 The Chamber offers flexible multi-use space but is in need of redesign and refurbishment.

3.11 Asset transformation is the Council's opportunity to create a modern office environment that supports new ways of working, improves staff retention and provides resilience. It will also drive a positive cultural change with focus on how we work in the future.

3.12 **Rutland County Museum**

3.13 Rutland County Museum is a large, two-story G2 Listed building constructed in 1794. It opened as the County Museum in 1969. It is a popular tourist destination, attracting visitors from all over the country.

3.14 The main display areas are of historic significance but are in need of refurbishment. The cellular offices are inflexible, and access is not DDA compliant. General running costs together with annual repair and maintenance present a significant lifecycle liability.

3.15 Rethinking and reimagining the use of the Museum is key to its successful transformation. Digitising displays, relocating a proportion of artefacts and working with external partners to improve the user experience will generate a greater impact for the County's heritage.

3.16 **Catmose Cottage**

3.17 Catmose Cottage is a G2 Listed property over ground and first floors adjoining the Museum. The Cottage supports the Registrar's service.

3.18 The cellular rooms are inflexible, and access is not DDA compliant, but the building's character supports service delivery. The general running costs together with annual repair and maintenance present a significant lifecycle liability.

3.19 Refurbishing internal areas and connecting it with the Museum to support the Council's HQ operations would provide a more cohesive use of space.

3.20 **Options for the Council's new office accommodation**

3.21 Two options are being considered for the Council's new office accommodation in Oakham. Both will provide approximately 100 desks in a modern, open plan layout, together with a range of meeting rooms, informal break-out space, and associated parking, to optimise hybrid working.

- **Option 1:** Refurbish the Museum (and Cottage) to celebrate the building's unique features together with new-build offices on the Museum site.
- **Option 2:** Refurbish the two-storey extension (existing offices) and the Chamber at Catmose House.

- 3.22 To compare similar outputs e.g. a museum offering improved community and cultural benefits (the Council's vision), will require expenditure to upgrade and refurbish the Museum under Option 2.
- 3.23 A valuation of Catmose House (as a whole site and in parts) has been provided to enable the Council to determine the financial viability (affordability) of both options.
- 3.24 The capital receipt from the sale of Catmose House (or parts) could be used to fund (or contribute towards) the Council's new and or refurbished accommodation.
- 3.25 **Phase 2: Assets will include:**
- Oakham Enterprise Park (OEP)
 - The King Centre (KC)
 - Jules House
 - Ashwell Business Units and Depot
- 3.26 The Council has developed a Draft Asset Strategy for its 7 Key Assets. The Draft Asset Strategy sets a direction of travel for the next 10 years. This will enable assets to be managed more effectively and enable changes and improvements to be made that support Service delivery and income generation.
- 3.27 Having established a direction of travel, individual Asset Plans will be prepared for OEP and KC in line with the Council's wider corporate priorities.
- 3.28 Jules House is a Youth Service centre that closed in March 2020 because of Covid-19. The service continued to provide a service for young people through outreach.
- 3.29 The youth work programme and the Aiming High programme, now use several community venues, including the Methodist Hall, the Family Hub, Catmose House, Active Rutland Hub, and more recently Oakham school. The public health, Teen Health service is delivered in our secondary schools.
- 3.30 Plans are progressing to enhance the libraries, to become Community Hubs, and subject to agreement, will see a dedicated youth space in Oakham library together with satellite spaces supporting the ethos of Jules House.
- 3.31 As the building is no longer required for service delivery an opportunity has been created to repurpose and refurbish it as an asset of community benefit. Levelling Up Fund monies will be used for the building works.
- 3.32 As a result of storms damage (Sept 2023 - Jan 2024) the Ashwell Business Units suffered significant flooding. The buildings are no longer fit for purpose (Transport Service) and damage is being repaired.
- 3.33 Ashwell Depot (Salt Barn and yard) will be retained for Service Delivery under the Highway Contract.
- 3.34 The capital receipt from the sale of redundant buildings will be reinvested in the Council's new office accommodation.

4 BUDGET FOR IMPLEMENTATION

- 4.1 The Asset Transformation will be delivered on a self-funding basis e.g. on a cost neutral basis with no additional budget pressure to the Council.
- 4.2 The Exempt Appendix A details the financial implications arising from Asset Transformation.

5 CONSULTATION

- 5.1 There is no legal requirement to consult on the Asset Transformation.

5.2 Legal Implications

- 5.3 Legal advice will be taken to support recommendations, with any matters arising investigated and undertaken as required.

5.4 Risk Management Implications

- 5.5 The main risks to this Report and the Council achieving its objectives are outlined in the Exempt Appendix A.

- 5.6 Asset Transformation will be delivered as a corporate priority under the Capital Project Board. The board will ensure appropriate reporting, governance, and risk management.

5.7 Environmental and Climate Change Implications

- 5.8 On 11 January 2021 RCC acknowledged that it was in a climate crisis. The Council understands that it needs to take urgent action to address it.

- 5.9 All works will comply with current EPC legislation, improve building efficiency and actively reduce energy consumption.

5.10 APPENDECIS

Exempt Appendix A: Exempt Report - Commercially Sensitive Information.

Exempt Appendix B: Schedule of Previous Decisions Relevant to this Report.

Exempt Appendix C: Catmose House Valuation and Initial Feasibility.

Exempt Appendix D: Draft Asset Strategy.

An Accessible Version of this Report is available upon request – Contact 01572 722577.