

Eden District Council

**Council
14 July 2016**

Penrith Civic Centre

Reporting Officer: Chief Executive

Responsible Portfolio: Leader and Resources

1 Purpose of Report

- 1.1 Council on 14 April 2016 considered a report on proposals for the sale of Mansion House and the connected development of the extension to the Town Hall. The Chief Executive advised Members that new information was emerging which Members might wish to take into consideration when considering the report.
- 1.2 It was agreed that was any further progress relating to the securing of a single site be put on hold and an option to develop the former Co-op building into a Civic Centre for Penrith be progressed and a feasibility study undertaken before reporting back to full Council.
- 1.3 The purpose of this report is to present the findings from the feasibility study on the former Co-op building and to consider the next steps.

2 Recommendation:

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| <ul style="list-style-type: none">1. The Council do not proceed with the purchase of the Co-op building.2. Members consider and agree the next steps:<ul style="list-style-type: none">2.1 In light of the offer price for the Mansion House not meeting expectations and the fact that it has now been on the market for four years, that it be withdrawn from the market and interested parties are advised accordingly.2.2 The single site project is put on hold at this time.2.3 The Service Innovation Board review current and future accommodation needs and report back to the Council by the end of the calendar year.2.4 Following the review, that Officers prepare costings for any works that are required to the Town Hall and Mansion House to make them fit for use for the future and that this is reported to Council at a later date.3. That officers are thanked for the work carried out on both the Town Hall extension and the Co-op building. |
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3 Report Details

3.1 Background

- 3.1.1 The Council has been progressing with the single site project for four years. The purpose behind it was to have all staff on a single site, to save operating costs and to have fit for purpose accommodation.
- 3.1.2 The Executive considered a report on Council accommodation at its meeting on 28 June 2011 and agreed to undertake a review of office accommodation and reception points to meet modern requirements and ensure efficiency. The Council approved in principle that there should be one site from which all Council services would be provided
- 3.1.3 The majority of the costs of the change were hoped to be met through the sale or lease of Mansion House and Corney Square. Corney Square was rented out two years ago and Mansion House has been on the market for over four years. However, a firm offer has been received for Mansion House.
- 3.1.4 The additional information was that the former Co-op building was on the market. The price was for £1.5M for purchase or £13,000 per annum for lease. This could be considered as an opportunity to provide both single site for staff and to develop a Civic Centre for Penrith.

3.2 Former Co-op building

- 3.2.1 The site on Burrowgate contains the original building for the reformed Penrith Co-operative Society with construction starting on the site in 1890. It is now an amalgamation of three buildings which have been developed in a piecemeal fashion with the most recent section appearing to have been built around 1963-65.
- 3.2.2 The building is currently designed and compliant as a retail store with a small area of offices on the upper floor. It is generally in good repair having been refurbished in the last 7-10 years. There are areas of the building which were not improved as part of the upgrade and would require a thermal upgrade to comply with current standards. The roof is in good repair and no structural problems have been identified.
- 3.2.3 It is a three storey building with basement providing the following accommodation:

19 Burrowgate	Area (m²)
Total (not including basement)	3,812*
The Annex	
Total (not including basement)	379

*Not all is useable space

- 3.2.4 A feasibility study allows for officers and members to assess if the project is viable before any detailed work or purchase of the building takes place. It allows for factors which are directly or indirectly associated with the project to be assessed. This determines if the project makes financial sense. The study does not provide detailed design or a priced bill of quantities but establishes a reasonable estimate of the work.

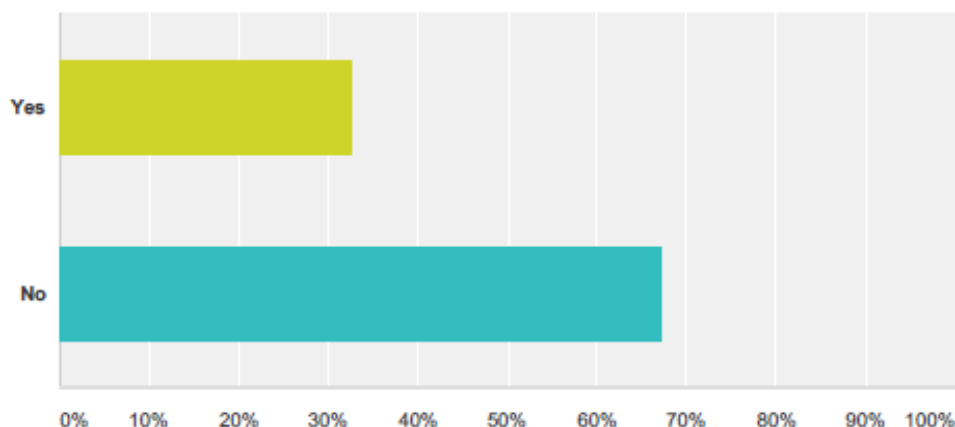
- 3.2.5 A working group consisting of the Leader, Group Leaders, Resources Portfolio Holder and Officers was set up to oversee the feasibility study providing guidance and scope.
- 3.2.6 The feasibility study was undertaken by 2030 Architects and investigated the options to convert the building into office use to house the staff of Eden District Council and to identify any surplus space which could be used as other office or retail business.
- 3.2.7 The assessment of the building is that it is adequate as a retail store however there are significant shortcomings in relation to conversion to civic offices. Further details about the assessment including the cost of conversion of the building into office space are set out in Appendix 1 to this report.

Note - In accordance with Section 100B(2) of the Local Government Act 1972, copies of this appendix 1 to this report are excluded from inspection by members of the public as the report contains information as described in Schedule 12A of the Act, as amended by the Local Government (Access to Information) (Variation) Order 2006, as follows:- Information relating to the financial or business affairs of any particular person (including the authority holding that information) (Paragraph 3).

- 3.2.8 A draft outline proposal was completed the basis of which was to minimize any structural work and keep the office space, to the upper floors, with the exception of the reception area.
- A ground floor layout made available an area of approximately 850m² available for community/other uses.
 - The first and second floor to be used as office space with the Council Chamber on the first floor.
- 3.2.9 The alterations also include for the demolition of the single storey buildings on Brook Street to create an essential service area for deliveries, refuse and recycling collection.
- 3.2.10 No account was taken of the annex in the assessment as this building was not required as office space and could be used for storage.

3.3 Public consultation on the Civic site

- 3.3.1 The Council invited views from the public on the proposal to make an offer for the vacant former Co-op building on Burrowgate in Penrith to re-locate all of its services and staff. The outcome of the online consultation would be used to help inform the decision on the purchase of the building. To date there are 116 responses.
- 3.3.2 Question Number 1 asked, 'Do you think that it is a good idea for the Council to make an offer to purchase the former Co-operative building in Penrith and to relocate its services, activities and staff from the Town Hall and Mansion house there?' The responses to this question as shown below were 33% in favour and 67% against the proposal.



- 3.3.3 For those who were in favour of the proposal all thought it would be more efficient to have everything under one roof.
- 3.3.4 For those who were not in favour of the proposal, just under 50% said that they preferred the current locations at the Town Hall and Mansion House and 56% said they would prefer to see the Town Hall used for Civic purposes. There was a general view from a number of responders that it was unnecessary expenditure.

3.4 **Current Position with Mansion House**

- 3.4.1 Mansion House has been on the market now for over three years.
- 3.4.2 Three offers were received for the purchase of Mansion House the highest offer being below the asking price. The potential purchaser had agreed to hold this offer until Council meets on 14 July. The offer includes for allowing the officers to remain in Mansion House for a period of eighteen months following the purchase.
- 3.4.3 There are issues with Mansion House in terms of accessibility for both the public and staff. Mansion House service desks are struggling to meet demand at present and Mansion House is not fully compliant with the Equality Act 2010 due to the restrictions imposed by the listed building status. Only a limited area of Mansion House is wheelchair accessible to the public and members of staff, and due to the listed status of the building it would be impractical to provide full accessibility to all areas of the building.
- 3.4.4 Mansion House currently has no room to accommodate any additional staff . A recent re-organisation of staff took place to allow some teams to work together including moving some staff to the ground floor to accommodate health requirements. As a result of the limited space officers are looking at proposals for additional accommodation including an option to share accommodation with the blue collar contractors to free up space in Mansion House.

3.5 **Current Position in relation to the extension to the Town Hall**

- 3.5.1 Planning permission for the proposed extension was granted on 13 November 2014 for a three storey extension to the Town Hall to provide general Council office accommodation with a glazed link to the existing building. This was an amended proposal with the Planning Committee

mind to refuse the original proposals for a more contemporary building. The amended proposal includes for the principal elevation to have the appearance facing towards Corney Square of a two storey natural stone building with string courses, cornices and parapets with a naturally slated dual pitch roof.

3.5.2 Tender documents were produced for the Town Hall extension and the project was put on hold prior to inviting tenders. The pre-tender estimate for the construction cost is £1,755,000 including contingencies.

3.5.3 This would give a total estimated cost of £1,977,000 including professional fees.

3.5.4 This project was put on hold.

3.6 Current Position in relation to the Town Hall

3.6.1 The Town Hall would benefit from provision of significantly improved reception area and customer contact centre with waiting areas and meeting rooms. Also the provision of work stations could be made available for members of the public to access services without need to take out officer's time. Facilitating better self-service in the reception area to educate the public to use IT channels would ultimately improve their access to services and reduce operating costs by reducing staffing in the Contact Centre.

3.6.2 Within the Town Hall there is a lack of facilities for members, no room for the Leader or Executive and no space for members to have access for computers.

3.7 Non-financial Benefits of having a Single Site

3.7.1 It has always been recognised that there are a number of non-financial benefits in having staff on a single site, these are summarised as:

1. Improved customer services and public interface
2. Improved accessibility of services to the public
3. Improved working conditions and communications for the officers and members
4. Provision of sufficient flexible accommodation for staff and for potential changes to staffing levels

3.8 Next Steps

3.8.1 If the recommendation not to pursue the purchase of the former Co-op building is approved this leaves the Council with the decision to make on what happens next. The proposal would be:

- That in light of the offer price for the Mansion House not meeting expectations and the fact it has now been on the market for four years, that it be withdrawn from the market;
- That the single site project be put on hold at this time;
- That meeting future accommodation needs are reviewed by the Service Innovation Board. This will enable new ways of working to be considered.

- Following the review that the Officers prepare costings for the works that are required to the Town Hall and Mansion House to make them fit for use for the future and that this is reported to Council at a later date.

3.8.2 In reaching this proposal consideration has been given to

- Selling Mansion House and progressing with the tenders for the Town Hall Extension;
- Selling Mansion House and look for an interim accommodation solution pending completion of the sale which could include either renting or buying appropriate space or re-configuring the space in the Town Hall;
- When the lease comes to an end at Corney Square Offices, it be refurbished and used as office accommodation. Consider options to purchase remaining buildings on Corney Square and develop into accommodation.

4 Policy Framework

4.1 The Council has four corporate priorities which are:

- Decent Homes for All
- Strong Economy, Rich Environment
- Thriving Communities
- Quality Council

4.2 This report meets the Quality Council corporate priority.

4.3 This report addresses the services are provided to meet quality standards and customer expectations strategic action in the Council Plan.

5 Implications

5.1 Legal

5.1.1 Whilst some areas of Mansion House are difficult to access for people with a disability the public areas are reasonably compliant within the restrictions of a grade II* listed building. It is considered that the Council has done what is reasonable and it is compliant with the provisions of the Equality Act 2010.

5.2 Financial

5.2.1 Any decision to reduce or increase resources must be made within the context of the Council's stated priorities, as set out in its Council Plan 2015-19 as agreed at Council on 17 September 2015.

5.2.2 The original intention behind the proposal was that the capital costs of the project would be met by the sale of the existing buildings. Taking into account:

- The Co-op purchase plus legal fees
- Refurbishment to office standards; and
- The capital receipt from Mansion House

5.2.3 The net capital expenditure is significantly in excess of zero cost, leading to the recommendation not to proceed with the purchase of the Co-op site.

5.3 Equality and Diversity

- 5.3.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equality Act 2010 and related statutes.
- 5.3.2 A move to a single site or changes to existing buildings would improve the accessibility of the Council's buildings and meet the needs of disabled people.

5.4 Environmental

- 5.4.1 The Council has to have due regard to conserving bio-diversity under the Natural Environment and Rural Communities Act 2006.
- 5.4.2 A move to a single site or upgraded buildings would enable greater energy efficiency measures to be undertaken on the premises and to have an overall reduction in the Council's carbon footprint.

5.5 Crime and Disorder

- 5.5.1 Under the Crime and Disorder Act 1998 the Council has to have regard to the need to reduce crime and disorder in exercising any of its functions.
- 5.5.2 There are no specific crime and disorder implications.

5.6 Children

- 5.6.1 Under the Children Act 2004 the Council has to have regard to the need to safeguard and promote the welfare of children in the exercise of any of its functions.
- 5.6.2 There are no children implications that apply.

5.7 Risk Management

- 5.7.1 With the introduction of the Service Innovation Board and digital project it is possible that the accommodation needs today may be significantly different following the introduction of the project.

6 Reasons for decision/recommendation

- 3.7.1 The cost of refurbishing the former Co-op building is substantial.
- 3.7.2 Consultation shows a clear majority of the public are against the acquisition of the site.

R Hooper
Chief Executive

Governance Checks:

Checked by or on behalf of the Chief Finance Officer	✓
Checked by or on behalf of the Monitoring Officer	✓

Background Papers: CLS61/12, CE2/12, CE4/16
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