

CABINET

15 JULY 2014

RELOCATION OF SERVICES PROVIDED AT RIVERSIDE ONE, CHATHAM

Portfolio Holder: Councillor Alan Jarrett, Finance

Report from: Perry Holmes, Assistant Director Legal and Corporate Services.

Author: Nick Anthony, Strategic Property and Energy Manager

Summary

This report seeks authority to take a lease or leases of premises to relocate the services currently provide at the Riverside One building. The report also recommends to Full Council that it makes an addition to the Capital programme to fund the capital costs associated with the relocation.

The proposed relocation will overcome the need to rectify the structural subsidence associated with the building and allow its demolition to facilitate the future restoration of the Great Barrier Ditch.

1. Budget and Policy Framework

- 1.1 As the rent payable for the property or properties to be leased will be above £20,000 per annum per property, but below £1,000,000 per annum per property, the delegation of the necessary authority is a matter for Cabinet.
- 1.2 The council's Constitution requires Full Council approval for additions to the council's capital programme.

2. Background

- 2.1 The Council owns in excess of 1,000 property assets and, next to staff, property is the Council's largest single cost. Effective management is therefore essential if the Council is to fulfill its core objectives and provide good quality, value for money services.

- 2.2 To ensure that the Council's property assets contribute to its priorities, outcomes, objectives and key actions, as set out within the Council Plan, all properties are considered in the context of rationalisation.
- 2.3 This report brings forward proposals to lease new premises in order to relocate the existing services provided at Riverside One, (Revenue and Benefits, Customer Contact, Housing Solutions and Client Financial Services) which will enable the building to be vacated, demolished and the Great Barrier Ditch to be restored.
- 2.4 The Riverside One building is located within a conservation area and from a heritage perspective English Heritage, Fort Amherst Heritage Trust and the Council's conservation and regeneration teams would like to see the building removed and the Great Barrier Ditch restored. The proposal forms part of a joint Heritage Lottery Fund bid by the Council and the Trust. If successful the scheme will continue the development at the Great Lines Heritage Park, and provide excellent linkages between the park and waterfront.
- 2.5 The building is suffering from structural subsidence, which is such that its foundations will require underpinning within the next two years if it is to remain open and operational. Indications suggest the cost of such works will be in excess of £500,000 and are further complicated by the fact that the building is located within the area of a scheduled monument, as indicated on the attached plan edged in black. Should consent to such works be forthcoming it will certainly necessitate extensive and costly archeological investigations.
- 2.6 The building also has a significant level of other required maintenance, which is estimated to be in the region of at least an additional £450,000. In particular, the building's services are antiquated with both poor levels of insulation and an oil fired central heating system, which is both expensive to run and difficult to maintain. For example, the oil fill point is located on Dock Road itself, which due to traffic levels makes refueling particularly challenging.
- 2.7 The layout of the building is also not well suited to the requirements of the service with a significant number of cellular spaces making it operationally cumbersome and unwelcoming for service users.
- 2.8 As a consequence, coupled with the desire to demolish the building and restore the Great Barrier Ditch, members are recommended to agree that the services provided at the building are relocated and that the building is closed.

4. Options

- 4.1 The council can either retain and refurbish the existing premises or relocate to alternative premises and enable the demolition of the existing premises and the restoration of the Great Barrier Ditch.

5. Advice and analysis

5.1 The retention of Riverside One is not considered either cost effective or desirable due to the following factors:

- Structural defects c. min. £500,000.
- Scheduled monument consent required/uncertain.
- Additional essential maintenance c. £450,000.
- Sub-standard construction and outdated building services.
- Poor layout and accommodation configuration.
- Heritage proposal to remove the building and restore the Great Barrier Ditch.

5.2 Given these factors additional investment in the building is not considered to be either a cost effective or a desirable use of resources. Relocation of the current services and the building's closure is therefore recommended.

5.3 Moving to alternative premises will remove the required maintenance liability and facilitate the demolition of the existing premises and the restoration of the Great Barrier Ditch, for which the Council and Fort Amherst Heritage Trust is applying for Heritage Lottery funding.

5.4 A full Diversity Impact Assessment will be prepared before any final decisions are made and the Assistant Director Legal and Corporate Services will have due regard to it when deciding whether and how to exercise the powers delegated to him by Cabinet.

6. Risk Management

Risk	Description	Action to avoid or mitigate risk	Risk rating
Adverse reaction to relocation proposals.	Service Users and staff react badly to the proposals.	Consultation with staff and service users.	D3
The current premises remain vacant for an extended period following vacation.	Empty properties become a target of antisocial behaviour /vandalism / trespass pending disposal.	Demolition will follow as soon as possible after vacation of the premises (subject to successful HLF bid).	C3
Less access for service users.	The new premises are not well located for service users.	The Council will seek new premises close to public transport facilities.	D3

7. Consultation

- 7.1 Initial consultation regarding the proposed closure has taken place with the service directorates and to date no objections to these proposals have been received. A Diversity Impact Assessment will also be undertaken and considered as outlined above before a final decision is made regarding the replacement service provision.

8. Financial and legal implications

- 8.1 The revenue cost of running the existing premises is currently budgeted at £130,000 per annum.
- 8.2 In capital terms the vacation and demolition of the existing premises will remove the need for the council to fund the building's structural defects and other required maintenance costs estimated at a minimum of £950,000.
- 8.3 The current revenue budget will be available to support the running costs of new premises and once suitable premises are identified the required budget will form part of the 2015/16 budget approval process.
- 8.4 To fund the relocation costs (adaptation, fit-out and removals) and a contribution towards the demolition of the existing building it is proposed that £800,000 is added to the capital programme from the earmarked reserve set aside for this purpose.
- 8.5 Under Part 5 of Part 3 of the Council's Constitution, the decision to, take a lease of new premises is one for Cabinet as the rent payable will be over £20,000 per annum.
- 8.6 The council's policy and budget framework requires Full Council approval for additions to the council's capital programme.
- 8.7 The Council has power under section 120 Local Government Act 1972 to acquire land for any of its functions.
- 8.8 In considering whether to relocate the services currently provided from Riverside One to new premises, Medway Council must comply with its duties in section 149 Equality Act 2010 to have 'due regard' to the need to eliminate discrimination, advance equality, and foster good relations. A Diversity Impact Assessment should therefore be undertaken as proposed in paragraph 5.4 above.

9. Recommendations

- 9.1 That Cabinet:
- 9.1.1 Delegates authority to the Assistant Director of Legal and Corporate Services in consultation with the Portfolio Holder for Finance to acquire

a lease of alternative premises and ancillary parking on the best terms reasonably obtainable.

- 9.1.2 Recommends to Full Council that it makes an addition of £800,000 to the capital programme to fund the adaptation and fit-out of new premises, associated relocation costs and the demolition of the Riverside One building.

10. Suggested reasons for decision(s)

- 10.1 To, improve service delivery, reduce the council's maintenance requirement and to facilitate the demolition of Riverside 1 and the restoration of the Great Barrier Ditch.

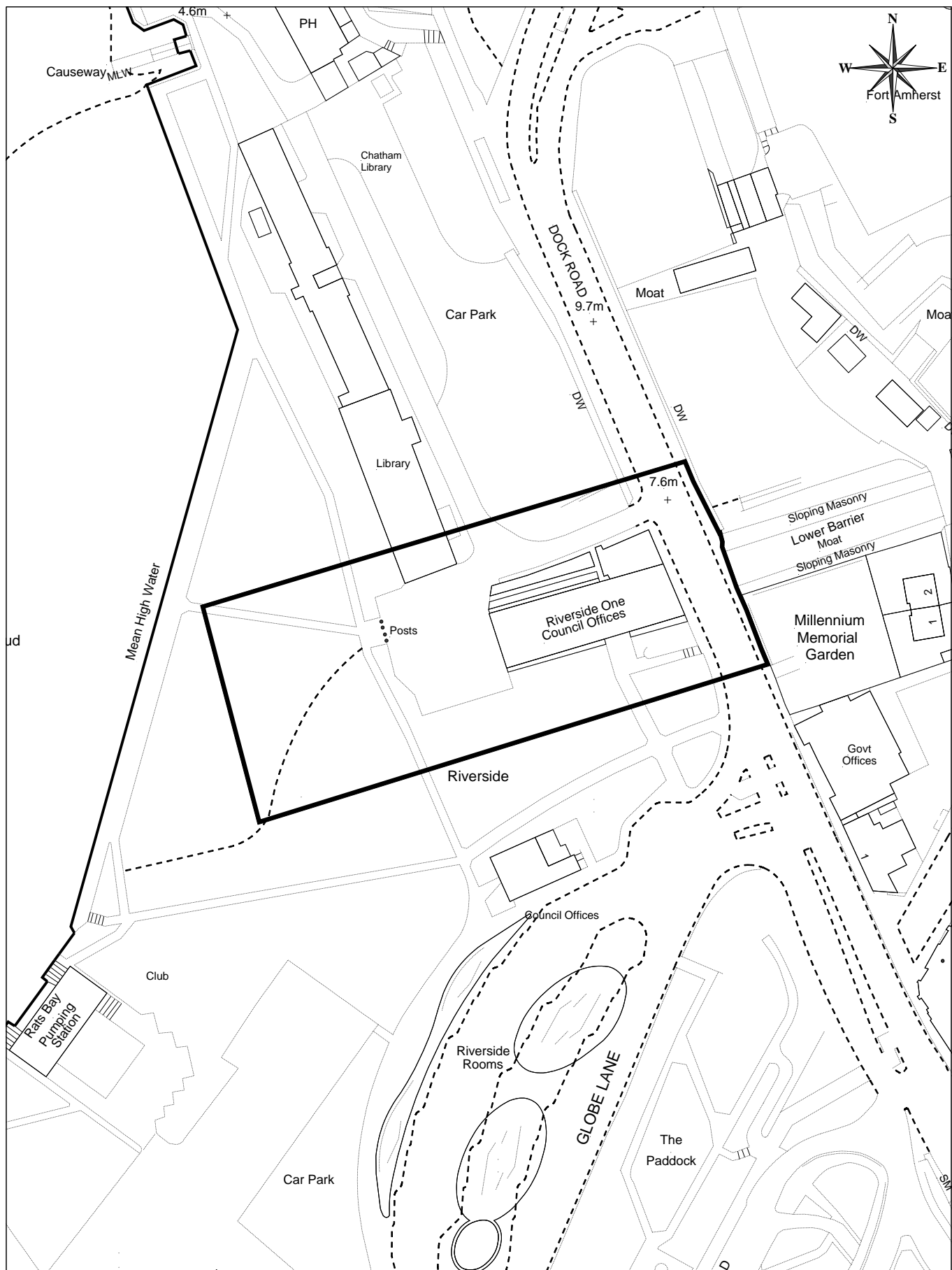
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Background Papers:

Corporate Property Strategy, approved by Cabinet on 4 April 2006.
<http://democracy.medway.gov.uk/mglIssueHistoryHome.aspx?IId=2047>



Riverside 1



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