

Project Documentation - Initial Project Proposal Document

Project: Brick Pavilion, Priory Park

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1. Purpose of Document

The purpose of this document is to set out the options for the Brick Pavilion in Priory Park.

2. Project Description

This document sets out the various options for the Brick Pavilion in Priory Park, which is currently vacant and in a poor condition. The overall objective is to set a clear direction for the future of the building.

3 Background

The Brick Pavilion has remained vacant since the lease to the Cricket & Hockey Club expired in 2017. Since then, part of the building has been used on a seasonal basis by the Bowls Club for their social space.

The building comprises two main parts, the original two storey brick built structure with decorative veranda to the front elevation and leaded light windows, plus a more modern single storey brick extension to the north side. In total, the building provides approximately 300 square metres of floor space. Its current condition is considered to be poor, with only essential works having taken place to ensure safety is maintained. Ongoing issues with anti-social behaviour have seen the building targeted with damage to the roof, window boarding and guttering all needing to be addressed. The building is not listed, or locally listed, but is of local historic interest.

With both the Cricket and Bowls clubs not wishing to take a lease of the Brick Pavilion and a café now provided elsewhere in the park, there is no real scope to secure an occupier from existing users of the park.

The Estates team have been contacted by a range of organisations expressing an interest in the building but none of that interest has progressed beyond the early stages. Those expressing interest more recently have been advised that the options for the building are being considered before any particular route progressed.

4 Options

- Do nothing
This is not an option, given the repair work needed to the building and the concerns raised around the anti-social behaviour in the immediate vicinity.

- Demolish

The building is not listed and as such demolition could be considered. This would provide additional space to be returned to open park and would address the issue with anti-social behaviour by improving open sight lines and visibility across this corner of the park. Whilst demolition and making good costs are estimated to be in the region of £70,000 (excluding any abnormal asbestos removal costs), the ongoing cost liability would be limited to maintenance of park/landscaping.

A proposal to demolish is likely to be met with potentially significant objection from Members, park users and local residents; there may also be concerns from a planning/conservation perspective.

- Seek occupier to undertake works required in return for a rent free period

This option would place the cost burden of the repair/refurbishment work onto the subsequent occupier, with the Council contributing perhaps the ARP funds to the overall cost.

Whilst saving the 'up front' expenditure, there would be a significantly reduced rental stream as a result of an occupier funding the work. This option is more usually found in lettings where much less significant works are required, or where an occupier needs a particular form of fit out.

- Seek commercial occupier(s)

This type of occupier would lease the building for market rent, subject to any planning permission needed for the intended use. Although options are limited due to the location and opening hours of the park, there could be potential for artist/creatives/office uses.

To date, there has been little interest from these sectors, although a more recent enquiry suggests new activity in this area, particularly from the creatives sector.

- Seek community group occupier(s)

This type of occupier will be unable to pay market rent and their occupation would be dependent on securing a concessionary rent. An alternative could be for a Council service area (or third-party organisation) to manage the short-term hiring of space in the building, in a similar way to facilities at the New Park Centre, and Graylingwell CCDDT as examples.

This option would not generate a monetary 'return' for the Council but could help deliver against other corporate objectives, whilst bringing additional visitors to the park. Given the size of the building, it is more likely that multiple community groups would look to use the space, which would need managing. The cost of this management has not been reflected in this report.

In addition, consideration would need to be given to other similar facilities to ensure there is sufficient demand to warrant offering another community space. Current discussions with the Cricket Club for a lease of the White Pavilion in Priory Park also include proposals for them to manage the hiring of that space to community groups

5 Timescales

On the basis that the demolition option is not taken forward, the anticipated process to bring the building back into use will include the following steps: -

1. Full condition survey of the building together with costing of works required to bring the premises to a lettable standard.
2. Procurement of main contractor/project team to undertake works required.
3. Seek approval for funding for works required and complete as an Estates led project.
4. Agree target type(s) of occupier(s).
5. Marketing plus negotiation/agreement of lease terms.

It is proposed that a fully costed feasibility report is procured by early Summer with completion of that work expected by the end of July. This will enable further consideration of the remaining steps as set out above.

6 Project Costs and Resources

	Costs (£)	Source
One-Off	£20,000 (estimate for fully costed feasibility report) £200,000 – £250,000 (estimate for remedial works)	Reserves ARP £150,000 Reserves £50,000 – £100,000
Revenue	£20,000 per annum (estimate) £3,500 - £5,000 per annum (estimate)	Potential rental once refurbished. Lower end figure based on community use with hiring/concessionary rent. Higher end figure based on commercial letting of whole building.
Savings	Potential repair and maintenance and NNDR savings, depending on type of occupier. Current NNDR	

	payable is approximately £3,500 per annum.	
Services to be involved in the project delivery	Property and Growth, CCS, Culture & Sport, plus the appointment of external consultants in connection with refurbishment works.	

7. Benefits vs. Cost

Bringing the building back to a lettable standard will require significant expenditure, with limited potential for any commercial 'payback'. Even if a commercial occupier was secured, the estimated annual rent would take over 12 years to cover the estimated £250,000 cost to bring the building back into use. In current market conditions, even the strongest occupier covenants are only committing to lease terms of around 5 years certain. A commercial occupier is also likely to seek a rent free period to undertake their own fit-out and/or modifications to suit their use.

Carrying out the refurbishment of the building could bring a number of non-financial benefits, including: -

- Potential to create/provide jobs connected with the use of the building
- Opportunity for local businesses and/or the visitor economy
- Supporting the local cultural offer
- Improving this area of the park, which has suffered from anti-social behaviour

8. Identify Risks

The risk of doing nothing is a continued deterioration in the condition of the building, leading to increased costs associated with emergency repairs to ensure the building is safe. An empty and boarded up building is likely to continue to attract anti-social behaviour and there is a small risk that could escalate to more serious incidents such as breaking in or arson.

There is a risk that no occupier is secured for the building, resulting in a significant level of expenditure having been made against an empty asset. This risk could be mitigated by seeking to secure firm interest before committing to the full refurbishment works.

Ongoing repair and maintenance costs may remain with the Council if the building is retained for community use(s). These would be quantified once the refurbishment work was completed, to develop a planned programme.

There is cost risk associated with unknown elements – until a full survey is carried out and ground conditions understood the cost of the works cannot be fully assessed. Current market conditions are showing rising prices for materials and labour, so there may be abnormal cost inflation to account for depending on the timing of the tender exercise.