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## THE OLD HOUSE: OPTIONS FOR ALTERNATIVE USE

### 1 PURPOSE OF REPORT

- 1.1 To outline alternative options for the Old House, Rochford following recent office accommodation changes and to seek Member agreement to take forward the proposed options.

### 2 INTRODUCTION

- 2.1 The Old House is a Grade II\* listed building located in the conservation area of Rochford. It has been used for many years as office accommodation for the District Council following a major refurbishment project in the mid 1980s.
- 2.2 Following changes to the Leadership Team, and associated office moves, the Old House is now no longer used as permanent office accommodation for staff. As an interim measure, desks and PCs have been set up in the building for use as a hot desk environment; it also continues to be used for meetings and small events and tours.

### 3 PROJECT APPROACH

- 3.1 The opportunity has been taken to review potential future uses for the building and an officer and a Member Working Group was established to consider the potential options. This project aligns with the Business Plan objective to 'Maximise our Assets' and as part of the project planning considered the Council's ongoing asset projects.
- 3.2 As part of the research phase of the project, the group visited Porters in Southend, Braintree Town Hall, Mary Green Manor in Brentwood and the Rayleigh Windmill to gain further insight into how listed, period buildings can be used.

### 4 CURRENT COSTS AND REVENUE GENERATED

- 4.1 The current running costs and revenue generated were considered to establish a baseline. Revenue costs are approximately £10,000 per annum; this includes cleaning, utilities and responsive maintenance but excludes National Non-Domestic Rates (NNDR) as the Council receives a combined bill for the offices. Capital expenditure over the next five years has been estimated at £6,000. The asset generates zero revenue currently.

### 5 OPTION ANALYSIS

- 5.1 A full exploration of the options was carried out; in broad terms the options for the Old House are as follows:

**Option A:** Licence the asset as a venue for Civil Ceremonies

**Option B:** Hire of rooms for business / meeting / conference use

**Option C:** Hire or licence individual rooms as artists studios

**Option D:** Heritage / Educational use / Tours / Chairman's Parlour

**Option E:** Co-locate Parish Council Offices

**Option F:** Lease to a partner organisation, National Trust, Association for Cultural Advancement through Visual Arts ( ACOVA), etc

**Option G:** Lease the asset as office accommodation

**Option H:** Sell the asset

Options A, B, C, D and E could be taken forward while retaining use of the asset by the Council. Options F, G and H would result in the Council not being able to use the asset for its own needs or enable public access.

## 6 SUMMARY OF ANALYSIS

**Option A:** Licence the asset as a venue for Civil Ceremonies

- 6.1 The asset would make an attractive civil ceremony venue as period properties are very popular in this market. Pictures of the asset dressed for this use can be found at Appendix 1.
- 6.2 This option would build on the success of Rayleigh Windmill as a wedding venue, utilising this experience to develop a new revenue stream.
- 6.3 Consideration would need to be given as to whether ceremonies could be held during the week or limited to weekends. However, the weekend market alone is potentially considerable.
- 6.4 This option would also enable various additional offers to be developed, such as use of the garden and break out rooms within the Old House as a Bridal Suite and Reception Rooms for example. It would also be possible to support local business through the development of catering, photography and other packages.
- 6.5 The Council would retain use of the asset for other purposes outside of wedding bookings, such as a museum or exhibition space.

**Option B:** Hire of rooms for business start-up / meeting/ conference use

- 6.6 The asset could be marketed as a Business Hub, i.e. individual desks or offices could be hired by local businesses on a short-term arrangement. This approach is useful in assisting start-up businesses that are yet to secure permanent accommodation.

6.7 It should be noted that there are currently vacancies for this type of business unit across the District and in neighbouring authorities. This option would be competing with these other providers.

6.8 There may be an opportunity to hire individual rooms for meetings or conference purposes to businesses. There would be local competition and possible limited take-up as a result.

**Option C:** Hire or licence individual rooms as artist studios

6.9 Individual rooms could be licenced to artists as studio space; there would be a limited market for this option.

**Option D:** Heritage / Education use / Tours / Chairman's Parlour

6.10 This would build on existing tours and develop the offer in line with the Windmill offer. The asset may also serve well as the Chairman's Parlour, freeing up the existing Parlour for alternative use.

**Option E:** Co-locate Parish Council Offices

6.11 Co-locate Parish Council's office within the asset to develop more joined up access to services.

**Option F:** Lease to a partner organisation, National Trust, Association for Cultural Advancement through Visual Arts (ACOVA), etc.

6.12 These types of organisations may be interested in the asset as a satellite office for administration or service delivery use.

**Option G:** Lease the asset as office accommodation

6.13 The asset could be marketed as a commercial lease opportunity. This would provide a regular revenue stream; however, the Council would lose the ability to utilise the asset for other purposes.

6.14 The asset may not lend itself well for this purpose when considered against other commercial office accommodation available in the area. However, the character of the Old House may be seen as a positive marketing tool for some businesses. Capital expenditure would be required to enable car parking to the side of the site and to make other adjustments.

6.15 A recent valuation has indicated that the Old House could be marketed for commercial use at a rental of c£20,000 per annum; however, a break clause would need to be included within the lease to enable the option for the Council to review the use at a later date should it wish to.

**Option H: Sell the asset**

- 6.16 The asset could be sold with planning permission to generate a capital receipt. An indicative valuation suggests a figure of £395,000 (in its current condition) could be achieved. However, this could not be used to fund on-going service provision.

**7 RESEARCH OF HISTORICAL RECORDS**

- 7.1 A Land Registry check has confirmed that there are no legal restrictions on the use of the Old House and gardens. However, as noted above, the property is listed.
- 7.2 Checks into historical Council meeting Minutes revealed the following: a recommendation by the Council on 20 February 1986 to Essex County Council to place tourism signs on roads near to attractions within the District; this included the Old House. This refers to the white text on brown signs that are now commonplace across the country. At that time a criterion of receiving a sign was that the attraction must be open for at least 50 days per year. While the recommendation is clear it cannot be confirmed that the signs were ever actually erected; certainly, anecdotal evidence suggests that none are in place at this time.
- 7.3 The above does seem to explain the historic agreement for maintaining public access to the Old House and should be borne in mind when considering options E, F, G and H.

**8 FINANCIAL ANALYSIS**

- 8.1 A high level financial analysis (table below) was undertaken for the options considered to be most favourable following a SWOT analysis and further consideration by the project team.

	£	2017/18	2018/19	2019/20	2020/21
Option A: Civil Ceremony	Income	(7,000)	(10,500)	(14,000)	(17,500)
	Expenditure (Capital + Revenue)	12,700	1,567	1,567	1,567
	<b>Net (surplus)/loss</b>	<b>5,700</b>	<b>(8,933)</b>	<b>(12,433)</b>	<b>(15,933)</b>
Option B: Hire of rooms as meeting rooms	Income	(2,000)	(2,000)	(2,000)	(2,000)
	Expenditure (Capital + Revenue)	10,000	1,000	1,000	1,000
	<b>Net (surplus)/loss</b>	<b>8,000</b>	<b>(1,000)</b>	<b>(1,000)</b>	<b>(1,000)</b>
Option G: Commercial Lease	Income	(10,000)	(20,000)	(20,000)	(20,000)
	Expenditure (Capital + Revenue)	10,000	5,000	5,000	5,000
	<b>Net (surplus)/loss</b>	<b>-</b>	<b>(15,000)</b>	<b>(15,000)</b>	<b>(15,000)</b>
Option H: Sale	Income	(395,000)	-	-	-
	Expenditure (Capital + Revenue)	-	-	-	-
	<b>Net (surplus)/loss</b>	<b>(395,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 9 FEES & CHARGES

- 9.1 Research was undertaken to establish local comparative charges for Civil Ceremonies and room hire. Charges and charging policy vary greatly across organisations. The opportunity was taken as part of this work to propose a scale of charges for Room 4 at the Civic Suite as this could be a further opportunity to generate revenue through hiring out the facility for meetings and conferences. The proposed fees and charges are shown in Appendix 2.

## 10 SUMMARY OF OPTIONS

- 10.1 A combination of Civil Ceremony and meeting room use (with potential further opportunities with partners) would enable the Council to retain use of the asset for its own purposes and to develop the heritage offer for residents. This option would also enable a new revenue stream to be developed in the form of Civil Ceremonies. This option also has the potential for growth through the development of additional package options. This option could be taken forward while allowing other uses to be further developed, such as educational use and the potential use as the Chairman's parlour.
- 10.2 A commercial lease would guarantee a rental income; however this would require detailed negotiation (to include break clauses) and due consideration of the Council's other ongoing asset projects as previously reported to the Investment Board.

- 10.3 It should be noted that this option would result in the asset no longer being available to the Council as a meeting space or for office accommodation; it would also no longer be open to the public.
- 10.4 The sale option is not recommended as Capital receipts cannot be used to fund the ongoing costs of delivering services. This option would be out of sync with current strategy to utilise the Council's assets to generate revenue.

## **11 EQUALITIES ACT**

- 11.1 If the Old House is to be used as a civil ceremony or other public venue, it needs to be accessible to disabled people from the start under the Equality Act 2010 (EA). The Council has a duty to make reasonable adjustments so that access to the service for disabled people is as close as is reasonably possible to the standard normally offered to the public at large.
- 11.2 That said, it should also be noted that the EA does not override other legislation, in particular here the Planning (Listed Building and Conservation Areas) Act 1990 (PLBCAA) given that the building is listed. Any works that are required therefore will need to be in conjunction with planning and building control. Ultimately, it is a balancing act between preserving the character of the building and providing access. Initial informal advice from the ECC Historic Buildings Consultant during a site visit is that some internal adaptations could be made; however further work would be required to confirm this.
- 11.3 Historic England advises that organisations establish an Access Strategy, this would seek to establish the following: what needs to be improved (the building itself, the way the building is managed, or a combination of the two), what would be a reasonable adjustment, what are the statutory obligations that have to be met, which conservation considerations need to be taken into account, what will be the cost of these requirements and how long will they take. This should be followed by an access audit and conservation assessment, which would in turn inform the access plan.

## **12 RISK IMPLICATIONS**

- 12.1 It is vital that such a financially and culturally valuable asset as the Old House remains well maintained and in use. Failure to achieve this could potentially result in the asset falling into disrepair.
- 12.2 Ensuring the Council fulfils its obligations under the Equalities Act, as above, will also be a significant risk.

## **13 RESOURCE IMPLICATIONS**

- 13.1 The Financial analysis above shows that there are two options currently that provide a reasonable return on an ongoing basis. These are the civil

ceremony and the commercial lease. Both have a similar level of income, and payback within the first two years; both have an inherent level of risk through voids and/or non-use; however, the commercial lease does need careful consideration due to the potential future options on this site and, as such, would restrict the number of tenants due to the short lease that could be offered, which will adversely impact the level of return.

13.2 The costs included in the Civil Ceremony options are:

- £11,000 (set-up, one off in year 1) – funded from Transformation reserve
- £1,700 Licence Fee (valid for 3 years) – funded from Transformation reserve
- £1,000 p.a. (staff, breakages, supplies) – funded from revenue budget as an opportunity cost

13.3 The Civil Ceremony option is low cost in terms of set up and running, and once the facility has been in the market for a year, there is a further option to consider investment or lease of equipment and facilities to broaden the scope and size of the civil ceremony that could be provided, and thus generate a larger return.

13.4 None of these factors have yet been built in, as the viability of the site needs to be established and a good reputation built over a medium term, before further investment is made.

## 14 LEGAL IMPLICATIONS

14.1 There are no other legal implications other than those addressed in this report.

## 15 RECOMMENDATION

15.1 It is proposed that the Committee **RESOLVES** to:

- (1) Develop an access strategy to inform an access plan for the Old House.
- (2) Pending the outcome of (1) Licence the Old House for Civil Ceremonies.
- (3) Pending (2) Delegate authority to the Assistant Director for Commercial Services, in consultation with the Portfolio Holder for Enterprise and the Portfolio Holder for Community, to set the fees and charges for the use of the Old House for Civil Ceremonies and the Old House and the Civic Suite for meeting use by external organisations.
- (4) Pending (3) release the budget requirement, as outlined in the report, for Civil Ceremony and meeting room use of the Old House.

- (5) Develop the further uses outlined in the report, such as heritage, tours, education use and the potential for use as the Chairman's parlour.



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**Background Papers:-**

None.

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**PROPOSED FEES AND CHARGES FOR ROOM HIRE/CIVIL CEREMONY RATES  
AT THE OLD HOUSE AND CIVIC SUITE**

<b>Room Hire Rates</b>	<b>Allocated Time</b>	<b>Cost £</b>
Committee Room 4	Per hour for businesses	20.00 per hour (minimum hire 2 hours)
Committee Room 4	Per hour for charities	16.00 per hour (minimum hire 2 hours)
Committee Room 5	Per hour for businesses	10.00 per hour (minimum hire 2 hours)
Committee Room 5	Per hour for charities	8.00 per hour (minimum hire 2 hours)
Committee Room 5 – half price if booked with Room 4 for break-outs		Additional costs would be added for refreshments
Old House Meeting Room	Per hour for businesses	15.00 per hour (minimum hire 2 hours) Additional costs would be added for refreshments
Old House Meeting Room	Per hour for charities	12.00 per hour (minimum hire 2 hours) Additional costs would be added for refreshments
<b>Proposed costs for Civil Ceremonies in the Old House</b>		
Ceremony Room only Weekday (AM) Weekday (PM) Weekend		£300 £400 £500
Bridal suite		100.00
Reception Room		100.00
Chair Covers		60.00