
REPORT TO THE MEETING OF THE EXECUTIVE 16 FEBRUARY 2011**PORTFOLIO: FINANCE AND RESOURCES****REPORT FROM THE CHIEF EXECUTIVE****SUBJECT: 57 SOUTH STREET – THE WAY FORWARD****1 DECISION BEING RECOMMENDED**

- 1.1 To approve the use of 57 South Street for election related purposes for the short to medium term (3-5 years), with a review after 3 years.
- 1.2 Subject to 1.1 above, to request that officers now submit a planning application for office and storage to facilitate this use.

2 REASON/S FOR RECOMMENDATION

- 2.1 The Council's long term aim for the last few years has been to dispose of 57 South Street at the most advantageous price to the Authority. An indicative residential scheme has been drawn up, but given the economic conditions over the past few years, this has not progressed to a sufficiently advanced point to facilitate disposal. With some uncertainty as to when the property market will recover, Members decided that the opportunity should be taken to look at the feasibility as to whether the premises could be refurbished to provide small business units in the short to medium term (3-5 years) (Minute 285/10).
- 2.2 The economic development unit has undertaken a study of local market conditions and an evaluation as to whether 57 South Street would be suitable for small business use. The unit has looked at the potential to provide either supported unit workspace or unsupported unit workspace at a commercial rent. Over a 3 year period, the cost of the initial adaptations and standard of decorations required, given the likely rate of take up, indicate that the supported workspace option would not be viable. The unsupported workspace option could provide a surplus, although much would depend upon the level and rate of take up (assumed at 35% for the first year; 60% for the second and 90% for the third). However, the estimated total amount at around £4,000 after 3 years is based on a number of assumptions and carries a number of risks, which are outlined in section 3 below.
- 2.3 In the circumstances, potential other options have been considered to see if the building could be utilised in the short term in a way in which risk is minimised, initial outlay is minimised and yet income is generated. On this basis, it has been identified that the building could be utilised for election related purposes. It could be used for the storage of a number of election materials, would provide much needed space during the election process and could provide a saving on current outlay of around £3,500 per annum, as it

would enable storage of election materials back into the Council's estate, rather than offsite as at present. Such a change would require planning consent which, if permitted, would be implemented in full, post this year's election in May.

3 RISK IMPLICATIONS

- 3.1 The evaluation of the options outlined above has attempted to factor in the key risks. If the Council was to attempt to refurbish the accommodation for workspace units, the key risks revolve around the attractiveness and cost of suitable provision, the rate of take up and potential return; the availability of alternative provision, the detailed terms and conditions attached to any leasing/rental arrangements and the ability to obtain planning consent. The risks associated with usage for election related purposes relates primarily to the obtaining of planning consent.

4 RESOURCE IMPLICATIONS

- 4.1 The cost of creating usable and attractive workspace provision has been estimated in the region of £18,000 to adapt 57 South Street for such purposes.
- 4.2 The net outlay to allow the building to be utilised for election purposes would be minimal and would provide an income of approximately £3,500 per annum.

I confirm that the above recommendation does not depart from Council policy and that appropriate consideration has been given to any budgetary and legal implications.

SMT Lead Officer Signature: _____

Chief Executive

Background Papers:

None.

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