



**COUNCIL**

**AGENDA ITEM (12)**

**OLD MEMORIAL HOSPITAL, CIRENCESTER**

<b>Accountable Member</b>	Councillor NJW Parsons Deputy Leader of the Council and Cabinet Member for Forward Planning  Councillor MGE MacKenzie-Charrington Cabinet Member for Planning and Licensing Services and Cirencester Car Park Project
<b>Accountable Officer</b>	Andrew Dike Property and Facilities Officer 01285 623244 Andrew.dike@publica.uk

<b>Purpose of Report</b>	To consider options for the Old Memorial Site, Sheep Street, Cirencester, having regard to recommendations from the Cabinet..
<b>CABINET RECOMMENDATIONS</b>	<b>That Council be recommended to:-</b> <b>(a) agree to full demolition of the Old Memorial Hospital Building, Sheep Street, Cirencester, as outlined in option 1 within this report;</b> <b>(b) agree a revised design and construction of additional parking on the site;</b> <b>(c) agree the allocation of capital funding of up to £695,000, to be funded from the Council Priorities Fund;</b> <b>(d) give delegated authority to the Chief Finance Officer to update the MTFs, Capital Strategy, Treasury Management Strategy and Prudential Indicators to include the capital expenditure;</b> <b>(e) give delegated authority to the Head of Paid Service, in consultation with the Chief Finance Officer, Group Manager Legal and Property Services and the Car Parking Demand Project Board to accept the most economical advantageous tender for the works outlined within the report.</b>
<b>Reason(s) for Recommendation(s)</b>	<b>(i) To manage the current cost to the Council of the OMH and to meet the identified need of additional car parking capacity in the town.</b> <b>(ii) To provide the opportunity for longer term strategic development of the site in line with the developing Cirencester Masterplan.</b> <b>(iii) To manage the ongoing liability and risk associated with the disused building currently on this site.</b>

<b>Ward(s) Affected</b>	All Cirencester Wards
<b>Key Decision</b>	Yes
<b>Recommendation to Council</b>	Yes, from the Cabinet

<b>Financial Implications</b>	<p>(i) Cost of demolition and additional car parking is £682,700, to be funded from the Council Priorities Fund.</p> <p>(ii) Cost of separation of services is £10,000, to be funded from the Council Priorities Fund.</p> <p>(iii) Alternative costed options are included within this report.</p>
<b>Legal and Human Rights Implications</b>	The Council owns the freehold interest in the site and is responsible for securing the existing building and ensuring it does not pose a risk to the general public. The Council has no statutory duty to provide parking but facilitates provision to support the sustainable economic growth of the town.
<b>Environmental and Sustainability Implications</b>	<p>(i) Ecological bat survey carried out, with recommendations being incorporated into the planning application.</p> <p>(ii) Transport assessment has been carried out and concluded no impact on the highway from additional car parking in this location.</p>
<b>Human Resource Implications</b>	Delivery of project being managed by existing officers with specialist consultancy support.
<b>Key Risks</b>	<p>(i) Failure to demolish or redevelop this old and deteriorating building creates a considerable risk that further unauthorised access and/or occupation and vandalism will continue to occur. The Council would be liable should any person sustain injury. Costs to secure and stabilise the building will increase over time, with no revenue from the building and the property having an increasingly negative impact on its local environment.</p> <p>(ii) The cost to maintain the building exceeds current budgetary provision and there is an imminent requirement for significant expenditure due to construction failings and health and safety implications which is not currently budgeted for.</p> <p>(iii) There is a reputational risk that demolition may attract some criticism; however, Cabinet resolved to demolish the building at its meeting of 21<sup>st</sup> April 2016 (see related decisions below)</p> <p>(iv) If property is renovated there is a risk new tenants cannot be found and significant void periods occur, affecting income and impacting on the business case.</p> <p>(v) There is a risk that the cost of the selected option exceeds the figures contained within this report, however a competitive procurement process should reduce this risk.</p>
<b>Equalities Analysis</b>	Not applicable to this report. Provision of disabled parking spaces is reviewed by the parking service.

<b>Related Decisions</b>	Cabinet 21 <sup>st</sup> April 2016 - Cirencester Property - Old Memorial Hospital, Waterloo and Old Station car parking sites (Minute CAB.99 refers) - "Officers progress and submit all necessary applications for demolition of the main building on the Old Memorial Hospital site and the provision of additional public car parking spaces."
<b>Background Documents</b>	None
<b>Appendices</b>	<b>Appendix 'A' - Site Plan</b>

<b>Performance Management Follow Up</b>	(i) Implement Council decision(s). (ii) This project is part of a key task and will be reported through the performance management framework.
<b>Options for Joint Working</b>	Not relevant

### Background Information

1. Cotswold District Council (the Council) owns the freehold for the Old Memorial Hospital site in Cirencester (OMH), which includes Sheep Street public car park, the main building and annexe, cottages and air raid shelter.

2. The last tenants moved out of the Hospital building on 4<sup>th</sup> January 2013 - they were the Living Memory Historical Association, Cirencester Cyber Café and the Spiritualist Church. The Registrars previously moved out in 2011.

3. The site currently provides 80 public car park spaces (including 2 bays for disabled users). Subject to planning permission, this will increase to 111 (including 5 disabled bays) spaces. This would provide an increase of 28 spaces, and an estimated annual revenue increase of £58,800 based on existing car park charges and current income data which shows that an average of £2,100 is achieved per space from pay machine and permit charges.

4. Costed options have been formulated by consultants to give indicative costs for both the demolition and refurbishment of the Old Memorial Building and formation of additional parking spaces. It must be noted that these costs are not accurate tendered costs. Subject to Council's agreement to proceed, a procurement exercise will be completed for the selected option to obtain accurate demolition/construction costs. All of the options include the retention of the Air Raid shelter on this site at the current time.

5. **Option 1:** Demolition of Existing Building and formation of additional car parking spaces:

5.1 Financial implications:-

- (i) Funding in region of £682,700 required for demolition and car park works;
- (ii) Funding of £10,000 for the provision of independent utilities to the cottages on the site;
- (iii) Estimated return of £58,800 on proposed additional spaces per annum, providing a return on investment in 10 years;
- (iv) Saving on annual average revenue maintenance costs of £13,308 (based upon average costs since 2012).

5.2 Longer term, subject to the Waterloo decked car parking gaining consent, the OMH site could be considered for more strategic development in line with the developing Masterplan. Undertaking site clearance would then make the site more attractive for future development, increase the site value and enable development to progress far quicker in the future.

6. **Option 2:** Refurbishment of existing building to provide suitable commercial letting accommodation

6.1 Financial implications:

- (i) Funding in region of £1,831,400 required for extensive renovation and remodelling
- (ii) Estimated rental income potential £12.00 per sq.ft. based upon current floor areas, providing an annual return of £105,780 if fully occupied.
- (iii) Payback period would be 17 years based on 100% occupation of rental space

6.2 Extensive refurbishment and remodelling would be required with this option in order to provide a modern, fit for purpose commercially lettable property due to its current layout from a hospital environment and the need to remove hazardous materials such as asbestos. As is usually the case, the cost to demolish and rebuild would be cheaper than modifying an existing but poor structure.

7. **Option 3:** To leave the building in its current condition and maintain structural stability:

7.1 Financial implications:

- (i) Significant expenditure due to construction failings and health and safety implications, costs will only increase over time. Estimated cost of £45,000 over the next three years.
- (ii) Significant mitigation works to remove asbestos within the building at a quoted cost of £89,700.
- (iii) Continuing vandalism and wilful damage which increases the Council's liability for personal injury and continued expenditure on vandalism repair and security works.
- (iv) Net cost (including figures above) likely to be in the region of £230,000 over next 10 years.

7.2 Considerable immediate and on-going costs associated with this option, with significant funding being required within a three year period to maintain its position and mitigate risks to the public. Should the Council choose to retain the building, a full condition survey will need to be procured and a programme of works and funding will need to be quantified and approved. Further, vandalism and illegal entry and occupation have become more frequent due to its ongoing vacant status and significant poor condition. The Council remains liable for the protection of the public from the building and the site as a whole.

8. Currently, only reactive maintenance, security and compliance works are being carried out.

9. Options for future use therefore have been considered.

10. The Car Parking Board have considered the proposal and are supportive of Option 1.

11. At its Meeting on 15<sup>th</sup> November 2018, the Cabinet supported Option 1 and the associated recommendations set out earlier in this report.

(END)