

**CROMER, MARRAMS BOWLS CLUB – PROPOSED REDEVELOPMENT**

**Executive Summary**

The Council own the premises leased to and occupied by Marrams Bowls Club on Runton Road, Cromer.

The Club is managed by Trustees.

The external elements of the premises are in dis-repair and will require major capital expenditure by NNDC to consolidate the building structure and ongoing revenue cost to then maintain.

In this paper the potential to demolish part of the property and to refurbish and reconfigure the Clubhouse into a reduced area has been considered and both plans and costs have been provided by external architects and quantity surveyors.

The recommended option would provide the opportunity to create a newly refurbished clubhouse and a new bespoke area for up to 3x separate income producing concessions.

- Options considered**
- The following options have been considered as being possible and implementable;
1. Termination of the current lease and closure of the Club to provide for redevelopment - discounted
  2. Demolition of the whole and development of a new Clubhouse and restaurant at first floor level – not viable.
  3. Demolish the whole and re-use for concessions and re-provide putting concession – discounted as loss of bowls amenity
  4. Reduced scale of repairs (roof and windows) – discounted as doesn't meet net zero priorities
  5. Demolition of part and refurbishment of the Clubhouse to provide new community club facilities and space for concessions viable scheme (the recommended scheme).
  6. Disposal to tenants or 3<sup>rd</sup> party - discounted

- Consultation(s)**
1. Planning – the proposal to redevelop or refurbish has been discussed at a high level with the planning team and conservation officer
  2. Several meetings have been held with senior Club members to discuss the options and they have seen the plans for refurbishment being Option 4 above.
  3. Local Members are aware of the proposals albeit at a high level.
  4. The pitch & putt tenant has been advised of the proposed plans.

**Recommendations**

It is recommended to Cabinet to approve:

	<p>1)The proposal (Option 4) to redevelop the club house to respond to significant building repair needs</p> <p>2) Additional capital budget of £350,000 to fund the project alongside the £50,000 of Capital for roof repairs previous allocated.</p> <p>3)That should there be any further negotiations to the lease terms, to delegate to the Assistant Director Finance Assets Legal, s151 officer, in consultation with the portfolio holder, the ability to amend the lease terms.</p> <p>4) The surplus area to be marketed and let to concession operators</p>
<b>Reasons for recommendations</b>	This recommendation is being made as it provides the best return on the capital to be employed in responding to repairs and maintenance issues at the property and supports the Councils Corporate Plan objectives.
<b>Background papers</b>	None

<b>Wards affected</b>	Cromer Town; Cllr Adams, Cllr Boyle
<b>Cabinet member(s)</b>	<p>1) Finance, Estates &amp; Property Services; Cllr Shires</p> <p>2) Community, Leisure &amp; Outreach; Cllr Withington</p> <p>3) Climate &amp; Net Zero; Cllr Varley</p> <p>4) Sustainable Growth; Cllr Heinrich</p>
<b>Contact Officer</b>	Renata Garfoot, Estates & Asset Manager <a href="mailto:Renata.garfoot@north-norfolk.gov.uk">Renata.garfoot@north-norfolk.gov.uk</a>

<b>Links to key documents:</b>	
Corporate Plan:	<p>The proposals are linked to the following Corporate Plan priorities;</p> <ul style="list-style-type: none"> <li>• Boosting Business Sustainability and Growth</li> <li>• Financial Sustainability and Growth</li> <li>• Quality of life</li> <li>• Climate, Coast &amp; the Environment</li> </ul>
Medium Term Financial Strategy (MTFS)	These proposals are linked to the MTFS in that any income generated from this building would be an entirely new income source for the Council and any new lease could pass other ongoing costs to the tenant(s)/concession holders
Council Policies & Strategies	The proposals in this report are linked to the Asset Management Plan 2018 and fully support the policies in that plan. Net Zero Strategy and Action Plan.

<b>Corporate Governance:</b>	
Is this a key decision	Yes
Has the public interest test been applied	The Exempt Appendix provides information that is commercially and financially sensitive.
Details of any previous decision(s) on this matter	None

## **1. Purpose of the report**

- 1.1 The Council own the premises occupied by Marrams Bowls Club on Runton Road, Cromer.
- 1.2 The Club is managed by Trustees and they held a 7 year lease dated December 2013, which ended in December 2020. They are currently holding over.
- 1.3 The external elements of the premises are in dis-repair and will require major capital expenditure by NNDC to consolidate the building structure and ongoing revenue cost to maintain.
- 1.4 The purpose of this report is to outline and recommend the preferred option for the site to demolish part of the property and to refurbish and reconfigure the Clubhouse into a reduced area has been considered and both plans and costs have been provided by externally appointed Architects and consultant Quantity Surveyors.
- 1.5 This proposal would also provide the opportunity to create a new and bespoke area for up to 3x separate income producing concessions.

## **2. Introduction & Background**

- 2.1 The Marrams Bowls Club is located in a high profile location on the Runton Road just to the west of the Cliftonville Hotel, to the east of the Blue Sky Café and a two minute walk to the Runton Road car park (see maps below).
- 2.2 The Clubhouse and adjacent Club toilet block and the bowling green are let to Trustees of the Marrams Bowling Club The Club is operated as a traditional members club for a summary of lease see exempt Appendix D.
- 2.3 The current Clubhouse building, excluding the adjacent toilets (that would in any event remain unchanged), has an approximate floor area of 134 m<sup>2</sup> (1,441 sq.ft). The adjacent toilet and storage block is leased to the Club is some 26 sq.m (278 sq.ft).
- 2.4 The main Clubhouse building is single storey and is a poor quality timber building on brick base.

- 2.5 This property asset currently generates little income for the Council, however, the operation as a traditional bowling club does add amenity to the location and provides an attractive through route for pedestrians from the town centre to Runton Road car park and the seafront passing the Deep History Coast Discovery Point.
- 2.6 The building has been physically deteriorating for many years due to the lack of essential maintenance. There are significant problems with the roof and water ingress through the failing windows. A high level review and report by Property Services (over 2 years ago) has identified that the roof needs to be replaced along with all windows at an estimated cost of some £40,000. Given the current circumstances in the construction market these costs are expected to be considerably higher than originally suggested.
- 2.7 In the meantime, temporary remedial works have been carried out to the roof to maintain a wind and watertight building but these are unlikely to be remain effective after a few years.

### **3. Proposals and Options**

- 3.1 Given the extensive works required in order to resolve maintenance issues, for the property to be net zero by 2030 and the lack of income it was deemed appropriate to review the location as one that could continue to provide bowling facilities along with the potential to create additional commercial property income whilst retaining the Clubhouse albeit in a reduced format. Due to the current low income generated from this site and the need for the Council to invest in the area to provide an improved clubhouse, additional income from concessions is needed to support financial viability of the project.
- 3.2 As agreed by CLT and to inform the possibilities at the location Architects were asked to provide a reduced and revised internal layout for the Club and to provide NNDC with estimated costs for both the demolition of the flat roof area and the refurbishment of the Clubhouse.
- 3.3 The proposed layout attached to this report at Appendix B was refined following consultation with the Trustees at the Club and has been created to provide a 12m indoor bowling mat which can be used for indoor events. The Trustees they are generally supportive of the proposal and officers will continue to work with them to deliver these improvements. The scheme is indicative and whilst high-level discussions have been had with our planners no pre app has been progressed.
- 3.4 It is proposed that NNDC could create up to 3x new concession pitches in the location.
- 3.5 Whilst the indicative scheme has yet to be fully costed through a procurement process the summary cost appraisal for the demolition and rebuild would cost approximately £346,000 (net of VAT), which given a potential increased income from concessions in addition to the bowls club shows a return on capex (gross) that meets the requirements of the Asset Management Plan. It is important to note that this return could be reduced in the event that the procured 'tested' figure comes in at a higher figure. However, this does not account for further rental income that we might be able to secure from the

bowls club nor any contribution from the Club towards the fitting out costs of the new Clubhouse.

3.6 The plan attached in Appendix B shows the proposed new layout after the demolition of the flat roof element of the existing buildings.

3.7 In summary the proposed works are as follows;

- Demolition of flat roof sections to create a new outdoor terrace (for concessions) and stripping out the existing Club
- Provision of new external walls to create a smaller Clubhouse with reduced kitchen and bar areas and the provision of new services
- Internal fitting out including the installation of new kitchen and bar fittings
- The reconfiguration of the current toilets to create new changing room facilities and new toilet provision. This will require the re-location of the existing pitch and putt operation to an alternative location on the same site.
- Removal of the existing garage/store and the re-provision of 2x new storage units
- New air source heat pump & solar panels

3.8 Appendix C shows the Executive Summary and Cost Plan.

3.9 There are related ongoing issues with the capacity of the water supply to the Bowls Club and the adjacent separately leased out Putting Green.

3.10 The water supply to both the Marrams bowling green and adjacent putting greens is not currently sufficient to meet the demand of both operators. The current tenants both prefer to water over-night in the hottest part of the year. Given the hotter summers being experienced due to climate change there will be increasing pressure on the water supply and a resolution to this matter will be required.

3.11 Following recommendations from an irrigation company there are two ways to increase the supply of water to these sites:

- 1) Increase the size of the incoming water pipe from the mains supply
- 2) Increase the size and height of the water tanks.

3.12 A further option would be to consider rain-water harvesting to supplement the supply.

3.13 These options to resolve water capacity would require further capital investment by the Council. These have yet to be fully costed and are not included in the summary cost plan appended here and therefore an estimated budget has been allowed for.

#### **4. Corporate Priorities**

- 4.1 A redevelopment of this property to provide an improved quality of facilities for the bowls club, to meet net zero priorities, commercial use on part and income generate would meet the following Corporate Plan objectives:
- 4.2 **Boosting Business Sustainability and Growth** – This site is in a prime location in Cromer and if redeveloped could offer a new or existing businesses an opportunity for concession pitches to be located alongside the bowls club.
- 4.3 **Financial Sustainability and Growth** – the new development would create income for the Council of approximately £15,000 per annum, in addition to rental income from the bowls club.
- 4.4 **Quality of life** – Depending on the future use of the premises this building could further add to the amenity and aesthetics of the Marrams and its frontage onto the Runton Road.
- 4.5 **Climate, Coast & the Environment** – the redevelopment will improve the property with the removal of existing M&E to provide new air source heat pump, LED lighting, solar and rain water harvesting (subject to feasibility). It is expected that the running costs of the clubhouse for the Trustees will reduce with these net zero measures.

#### **4.6 Medium Term Financial Strategy**

Concession income generated from this building would be an entirely new income source for the Council and any new lease could pass other ongoing costs to the tenant(s)/concession holders

### **5. Financial and Resource Implications**

- 5.1 The proposed redevelopment will require the additional capital budget of £350,000 to add to the £50,000 budget previously allocated for roof repairs. The additional sum can be funded through the Asset Management Reserve and Capital Receipts.
- 5.2 If alternative opportunities become available to improve the club house at a lower cost, officers will review those options and make savings where possible.
- 5.3 Securing the necessary planning consents and implementing those consents would take at least 12 months and during the construction period the bowls club would need to be re-housed in temporary accommodation close to the green. A provisional sum (see exempt Appendix D) has been included in the cost plan for such temporary accommodation.
- 5.4 Over the course of any leases or concessions granted there could be the opportunity to review and revise the rent upwards depending on the market conditions.
- 5.5 Staff resource requirements would include: securing planning and building control consents, procuring a construction contract, negotiating new lease terms with the Club and other tenants/concessions, producing legal documentation, managing the redevelopment process, and managing the lease once in place.

- 5.6 Investigations into the potential for the Club to fund part of the capital expenditure will be made in due course and similarly any sports funding grants will be investigated. Initial investigations suggest that funds may be available for the Club to pursue via Bowls England (see website Finance & Funding-Bowls England)

## **6. Legal Implications**

A formal surrender of the current lease and grant of new lease would be undertaken with the Trustees alongside the completion of a construction contract should the development progress.

## **7. Risks**

- 7.1 If the recommended option to demolish part of the clubhouse and to refurbish to provide new community club facilities and space for concessions does not progress then the Council will retain an ongoing obligation to maintain and repair the premises, which are not fit for purpose. This would require significant revenue funding on a ongoing basis.
- 7.2 The risk of progressing with the redevelopment option would primarily relate to capital funding and cost control and the risks associated with the ongoing inflationary nature of the construction industry.
- 7.3 Planning permission would be required for the part demolition and redevelopment which if not granted would mean that the scheme could not be implemented and the 'demolition of whole' option would have to be considered, requiring the permanent closure of the Club.

## **8. Net Zero Target**

- 8.1 *The Council's Net Zero Strategy & Action Plan requires all decisions to be assessed and tested for consistency against the Net Zero 2030 Strategy & Climate Action Plan.*
- 8.2 The Net Zero Strategy and Action Plan requires that Council buildings are designed to be net zero by 2030 and this has been taken into account with the sustainable design and energy provision.

## **9. Equality, Diversity & Inclusion**

- 9.1 Under equality legislation, the Council has a legal duty to pay 'due regard' to the need to eliminate discrimination and to promote equality.
- 9.2 The proposed refurbishment will take account of this regulation and will take account of all building regulations.
- 9.3 Given the time constraints on providing this report it has not yet been possible to consider a quality impact assessment under the Council's Equality, Diversity & Inclusion Strategy. This will follow.

## **10. Community Safety issues**

- 10.1 The proposals are unlikely to have any impact on community safety issues.

## **11. Conclusion and Recommendations**

- 11.1 Without further investment by NNDC the building will continue to deteriorate over the next few years and at some point would become unfit for purpose and not capable of being used.
- 11.2 The options are either that NNDC spend significant capital monies on refurbishing the premises (the £40k plus mentioned above) but the property will not meet the Councils net zero priorities and continue with the Bowls Club as tenants possibly paying a higher rent than they currently are doing OR the Council further considers a complete redevelopment of the site as outlined here and bring in additional commercial tenants alongside the bowls club.
- 11.3 The redevelopment option would be capital intensive unless external funding can be sourced. Notwithstanding this the over-riding and determining factor from a strategic asset management point of view would be to encourage new financial investment in this location and income from operators that can provide a more commercial offering whilst re-housing the bowls club in improved and more sustainable energy efficient facilities that will both endure and reduce the ongoing NNDC maintenance burden.
- 11.4 It is recommended to Cabinet to approve:
  - 11.4.1 The proposal to redevelop the club house to respond to significant building repair needs and net zero priorities.
  - 11.4.2 Additional capital budget of £350,000 alongside the previous allocated budget of £50,000 to fund the project
  - 11.4.3 That should there be any further negotiations to the lease terms, to delegate to the Assistant Director Finance Assets Legal, s151 officer, in consultation with the portfolio holder, the ability to amend new lease terms.
  - 11.4.3 The surplus area to be marketed and let to concession operators

**Appendices:**

- A) Photos of existing clubhouse
- B) Revised refurbishment scheme plan and specification
- C) Cost Plan
- D) Exempt Appendix