

The Cedars Building, North Walsham - completion of refurbishment and letting update.	
Executive Summary	<p>The refurbishment of The Cedars building formed part of the Historic England North Walsham Heritage Action Zone programme and during the refurbishment phase marketing of the property was undertaken seeking lease proposals as outlined to Cabinet 03 October 2022.</p> <p>As refurbishment of The Cedars building is now complete, it is proposed to move forward with a mix of private and public sector lettings as detailed in the exempt Appendix. Officers will continue with the marketing of the remaining vacant space, through seeking to secure additional tenants.</p> <p>With The Cedars building refurbishment complete, a further review of the opportunities for other parts of the site continues and an options paper will be prepared once the outcome of Historic England's Statutory List review, has been completed.</p>
Options considered	<ol style="list-style-type: none"> 1. Sale of the building – discounted due to grant conditions. 2. Lease of the whole building to a single occupier – no such interest received 3. Lease of individual rooms within The Cedars building to multiple occupiers – course of action being taken <p>A further paper outlining options for the balance of The Cedars site and adjoining land accessed from Hall Lane, to be prepared in due course following Historic England completing a review of the listing of The Cedars property.</p>
Consultation(s)	<p>Consultation will be undertaken with respect to options for the balance of The Cedars site.</p>
Recommendations	<p>It is recommended that Cabinet:-</p> <ol style="list-style-type: none"> 1. Notes the completion of the refurbishment works to The Cedars building as part of the North Walsham Heritage Action Zone programme. 2. Confirms the letting of rooms within The Cedars building as detailed in the exempt appendix, with authority delegated to the Asset Strategy Manager to complete the licence agreements, with details of tenants being made public once licences are complete. 3. Requests that the Asset Strategy Manager continues to advertise and seek tenants for the remaining space within the building with delegated authority to agree tenants in consultation with the finance and assets portfolio holder. 4. Receives a further report detailing options for the balance of The Cedars site and adjoining land off

	Hall Lane to the north once the outcome of the Historic England Statutory List review is known.
Reasons for recommendations	To advise Members of the completion of refurbishment works to The Cedars building as part of the North Walsham Heritage Action Zone Programme and in the sound management of the Council's property portfolio.
Background papers	Exempt Appendix

Wards affected	North Walsham Market Cross
Cabinet member(s)	Cllr L Shires, Cllr P Heinrich
Contact Officer	Renata Garfoot, Asset Strategy Manager. Renata.Garfoot@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Our greener future Investing in our local economy and infrastructure A strong responsible and accountable Council
Medium Term Financial Strategy (MTFS)	The letting of the property will generate rental income that will support the Council in delivery of services to the community. Additional income budgets and expenditure budgets to cover the repairs and maintenance of the property will need to be included in the MTFS going forwards.
Council Policies & Strategies	Asset Management Plan 2018 - 2022

Corporate Governance:	
Is this a key decision	No

<p>Has the public interest test been applied</p>	<p>Exempt Appendix – Commercially sensitive information</p> <p>This report and appendices are to be treated as exempt for the following reasons:</p> <p>Information in this report and appendices involves the likely disclosure of exempt information as defined in paragraph 3, Part 1 of schedule 12A (as amended) to the Local Government Act 1972.</p> <p>This paragraph relates to:</p> <p>Paragraph</p> <p style="padding-left: 40px;">3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p> <p>The public interest in maintaining the exemption outweighs the public interest in disclosure for the following reasons:</p> <p>Paragraph 3: The exempt appendix contains information relating to the business affairs of third parties and of the Council, including commercially sensitive financial data, and it is considered that the interest in withholding the information outweighs the public interest in disclosure.</p>
<p>Details of any previous decision(s) on this matter</p>	<p>03 October 2022 Cabinet report. Future Letting of The Cedars, North Walsham (minute 59)</p>

1. Purpose of the report

- 1.1 The purpose of this report is to update Cabinet on the completion of the refurbishment works to The Cedars building as part of the North Walsham Heritage Action Zone programme and to provide an update regarding letting of space within the building.

2. Introduction & Background

- 2.1 The Council owns the freehold title of The Cedars office building, adjacent parking area and outbuildings on New Road, North Walsham, which has been vacant since September 2016 in anticipation of an intended sale of the property for a commercial redevelopment.

- 2.2 Previous key decisions regarding the property:

- 4th November 2014 – Approval to sell the property to a national pub chain.
- 30th March 2020 – Report identifying a number of opportunities for the future of the building as the sale to the national pub chain had become protracted. Approval was given to continue with the existing prospective purchaser on the basis that the revised terms represented best value and supported the Council’s objectives at that time.

- Historic England High Street Heritage Action Zone (“HSHAZ”) Grant funding – the successful HAZ funding application dated March 2020 included a project to refurbish and restore The Cedars building and subsequently a programme of works for its restoration was developed, jointly funded by NNDC/HE (with a budget of circa £375,000).
- 5th July 2021 – The disposal to the national pub chain had not completed and the trading conditions at that time suggested that the proposed investment from this chain was unlikely to proceed. As the funding opportunity available from Historic England (HE) as part of the North Walsham High Street Heritage Action Zone project for repairs to the main building was unlikely to be available to a private sector investor, the Council had to take a decision as to whether to continue to waiting for the sale, or to develop an alternative proposal allowing the authority to draw down the grant funding. Following a condition survey, cost plan and feasibility study being prepared, Cabinet agreed that the Council should withdraw from the sale, and that, instead, the building would be retained and refurbished for lease.
- 3rd October 2022 – report to Cabinet. Following marketing of The Cedars building four proposals were received expressing interest in occupying parts of the building from private and public sector organisations. However, none of the proposals would have meant the building being fully let to a single occupier, involving the Council in ongoing facilities management costs the details of which were not understood at that time. It was therefore agreed that officers should explore alternative delivery models which would see the continued provision of community services from the building. Negotiations with the public sector organisations interested in taking space were therefore pursued.

- 2.3 In addition to Historic England providing £150,000 of grant funding towards the refurbishment of The Cedars building, the organisation has also funded an extensive research paper on the history of the building, which was completed in 2022.
- 2.4 More recently (June 23), Historic England advised that they were prepared to review the Statutory List for The Cedars building and wider site, outbuildings and boundary walls (the majority of the latter having been demolished in the 1980s). There is no indication at present of the timeline for a decision on the review, but it is anticipated that the Listing of the main Cedars building would remain (especially in light of the grant-funded restoration work) but that the other structures to which the Listing applies, could be removed from the List. Whilst The Cedars property would remain within the Conservation Area, a delisting of the wider curtilage of the property would be advantageous to the Council in considering future opportunities for the balance of the site.
- 2.5 The renovation of The Cedars building has taken longer than originally envisaged, following the initial contractor going into administration in September 2022. Thereafter, the programme of works, which were managed through the Council’s Property Services team have been completed by the Council’s measured term contractor, Malcolm Abbs.

- 2.6 Now the works to The Cedars building are complete, interest has been confirmed for the three ground floor lettable rooms, with the large meeting room being retained as a community asset available for sessional hire. Further, North Walsham Town Council has agreed terms to occupy two large rooms on the first floor of the building meaning that a further large office and two smaller offices remain available for lease within the building. Shared use of a kitchen and toilet facilities are available to all tenants. Details of the occupiers of the ground floor rooms and the space to be occupied by North Walsham Town Council are provided in the exempt appendix with details of the occupiers being made public once the licences are complete.

3 Proposals and Options

- 3.1 With The Cedars building refurbishment now complete and with Historic England undertaking a review of the Listing of the Asset, consideration will be given to the future marketing of the balance of the site as soon as the outcome of the listing process is known.
- 3.2 In the meantime, the Asset Strategy Team will continue to market the vacant spaces within The Cedars building for lease.

4 Corporate Priorities

- 4.1 The completion of the refurbishment works to The Cedars building and the lease of space within the building for community and commercial purposes align with the following Corporate Plan priorities:
- Our greener future – with improvements to the building where possible to reduce its carbon emissions
 - Investing in our local economy and infrastructure – providing affordable office accommodation to support the local economy
 - A strong responsible and accountable Council – Improving the condition of a property asset and increasing the rates of occupation on all Council's commercial properties

5 Financial and Resource Implications

- 5.1 The refurbishment works are estimated to be approximately £500K. This is subject to payment of final invoices with an element of the additional costs being met by Net Zero budgets.
- 5.2 The Assets Strategy and Property Services Teams will be actively managing the letting of The Cedars and undertaking repairs and maintenance in accordance with the service charge and landlord obligations. The service charge relating to any vacant space will be funded by the Council until the space is occupied. A budget has already been allocated through the annual budget setting process and this will be reviewed and adjusted annually, as necessary.
- 5.2 Resource support from other teams (Finance and Eastlaw) will also be required.

Comments from the S151 Officer:

The S151 Officer (or member of the Finance team on their behalf) will complete this section.

The budget for this project was £465k and the costs are estimated to be £500k. This is an OVERSPEND. Funding will need to be identified to fund this overspend which will subsequently reduce the funding available for other capital projects. Alternatively if any of the site is subsequently sold then I recommend that the capital receipt be used to fund the overspend.

6 Legal Implications

- 6.1. Eastlaw are involved with the letting of the property and providing advice as required.

Comments from the Monitoring Officer

The Monitoring Officer (or member of the Legal team on behalf of the MO) will complete this section. They will outline any legal advice provided.

Reviewed - No additional comments at this time.

7 Risks

- 7.1 Typical asset management risks apply in relation to leasing premises, such as rent arrears, voids, and dilapidations.
- 7.2 As the recommendation is to review the remainder of the site once the outcome of the Historic England Statutory List review has been completed, there are no significant risks with holding the remaining land.

8 Net Zero Target

- 8.1 The refurbishment of The Cedars property has allowed improvements to be made which have increased the energy performance of the building through the provision of insulation within the roof space and installation of an electric heating system reducing carbon emissions. Due to the listed status of the property it has not been possible to introduce some further environmental improvements, e.g. double glazed windows, as it is considered that they would unacceptably alter the historic character of the property.

9 Equality, Diversity & Inclusion

- 9.1 Officers have had regard to the Council's Equality, Diversity & Inclusion Strategy in relation to the completion of the project and agreed lettings.

10 Community Safety issues

- 10.1 Bringing back into use a long term vacant building is considered likely to reduce incidences of anti-social behaviour associated with empty properties.

11 Conclusion and Recommendations

- 11.1 The refurbishment of The Cedars building formed part of the Historic England North Walsham Heritage Action Zone programme and during the refurbishment phase marketing of the property was undertaken seeking lease proposals as outlined to Cabinet 03 October 2022.
- 11.2 As refurbishment of The Cedars building is now complete, it is proposed to move forward with a mix of private and public sector lettings as detailed in the exempt Appendix. Officers will continue with the marketing of the remaining vacant space, through seeking to secure additional tenants.
- 11.3 With The Cedars building refurbishment complete, a further review of the opportunities for other parts of the site continues and an options paper will be prepared once the outcome of Historic England's Statutory List review, is known.
- 11.4 It is recommended that Cabinet:
1. Notes the completion of the refurbishment works to The Cedars building as part of the North Walsham Heritage Action Zone programme.
 2. Confirms the letting of rooms within The Cedars building as detailed in the exempt appendix, with authority delegated to the Asset Strategy Manager, with details of tenants being made public once licences are complete.
 3. Requests that the Asset Strategy Manager continues to advertise and seek tenants for the remaining space within the building with delegated authority to agree tenants in consultation with the finance and assets portfolio holder.
 4. Receives a further report detailing options for the balance of The Cedars site and adjoining land off Hall Lane to the north be prepared once the outcome of the Historic England Statutory List review is known.