

Appendix E

Rocket House Building, Cromer – Building repair investigation findings	
Executive Summary	<p>The Rocket House building is a multi-let property with community facilities on Cromer East Promenade that requires substantial repairs, maintenance and energy improvement works to ensure a sustainable future for the building.</p> <p>Following the previous report to Cabinet on 4th September 2023, detailing options available, a visit to the property and technical briefing was made available for members.</p> <p>To gain further clarity over the damp issues, at the 8th January 2024 Cabinet meeting it was agreed to commission further additional investigation into the fabric of the building to identify the cause of damp, establish remedial options and budget costings. This investigation has since been completed and officers seek approval to use the existing capital budget and move forward with repairing the building.</p>
Options considered	Options have been previously considered in the 4 th September 2023 Cabinet report. All options in that report remain open following the investigations into the building condition.
Consultation(s)	Local Members
Recommendations	<p>That Cabinet:</p> <ol style="list-style-type: none"> 1.1 Delegate to and the Asset Strategy Manager (Estates), in consultation with the s.151 officer, the existing allocated capital budget to action remedial works as soon feasibly possible to the property, as outlined in the Intrusive Inspection and Damp Investigation Report, subject to the vacation of the tenant (RNLI). 1.2 Delegate to and the Asset Strategy Manager (Estates), in consultation with the s.151 officer, to utilise any remaining capital budget to undertake energy improvement works to the property in order to increase the energy performance rating to the required standard for leasing. 1.3 Delegates authority to the Asset Strategy Manager to commence negotiation of terms for a new lease, with the existing RNLI tenant, with a further report back to Cabinet in accordance with governance procedures.
Reasons for recommendations	To address the ongoing issues with damp in the building and increase the energy performance of the building for leasing.

Background papers	Cabinet reports September 2023 and January 2024
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Wards affected	Cromer Town and Suffield Park
Cabinet member(s)	Cllr L Shires, Cllr H Blathwayt, Cllr A Varley, Cllr L Withington
Contact Officer	Renata Garfoot, Asset Strategy Manager Renata.garfoot@north-norfolk.gov.uk

Links to key documents:	
Corporate Plan:	Our greener future Developing our communities Investing in our local economy and infrastructure A strong responsible and accountable Council
Medium Term Financial Strategy (MTFS)	A capital budget of £1,000,000 has previously been allocated as part of the annual budget setting process to address the maintenance issues of this asset.
Council Policies & Strategies	Asset Management Plan 2018 - 22

Corporate Governance:	
Is this a key decision	Yes
Has the public interest test been applied	N/A
Details of any previous decision(s) on this matter	Cabinet -

2. Purpose of the report

- 2.1 The purpose of the report is to:
- 2.2 Provide an update to Cabinet that now that the detailed investigations have been undertaken into the fabric of the building to identify the cause of damp ingress at the Rocket House Building,
- 2.3 Seek authority to utilise the existing allocated capital budget to action remedial works as soon feasibly possible to the property, subject to the vacation of the tenant (RNLI).
- 2.4 Seek authority to utilise any remaining capital budget to improve the energy performance of the building in order to relet it.
- 2.5 Seek authority to commence negotiation of terms for a new lease with the existing RNLI tenant.

3. Introduction & Background

- 3.1 The Rocket House Building, Cromer is a mixed-use property with museum, café, public toilets, and lift, which is situated on the East promenade. The building which was constructed in 2005/6 is partially built into the cliff.
- 2.2 The building is occupied by The RNLI Museum and Rocket House Café both under leases. The Council provides public conveniences and a public lift that enables visitor's easier access to the prom which would otherwise be accessed via steep ramps. Under the terms of these leases the Council as the Landlord, has a repairing obligation.
- 3.2 There are a number of repair and maintenance issues at the building as outlined in the 4th September 2023 Cabinet report.
- 3.3 During November 2023 a visit to the property and technical briefing for Members was undertaken to provide greater clarity of the condition issues.
- 3.4 At the 8th January 2024 Cabinet meeting, it was resolved that Officers would commission detailed investigations into the damp issues to establish remedial options and budget costings.

4. Proposals and Options

- 4.1 These investigation works were carried out during February and March 2024 and determine that there is a defect with the building to the ground floor accommodation which is causing the damp issues to the building. An independent report detailing this, with budget costs and indicative programme was prepared. The programme can be found in Appendix A.
- 4.2 The works to address the damp have been budgeted to cost in the region of £828,695 plus VAT, where conducted within the timeframe detailed, which will include replacement of the public conveniences, floor coverings and external alteration to the render to the building which are required as part of the remediation. The repair work is expected to last approximately 32 weeks.
- 4.3 In order for the works to be undertaken the RNLI, including its artefacts and lifeboat will need to vacate the building. Since the last report to Cabinet, the RNLI have served notice to terminate the current lease and vacate during July 2024.
- 4.4 Alongside this, works are required to improve the energy performance of the building in order for the building to meet the Minimum Energy Efficiency Standard of rating E to be relet. It is proposed to use any remaining capital budget to do these improvement works.
- 4.5 The RNLI may be interested in a new lease in the building once the works are completed. At the time of writing the report, no heads of terms for a new lease have been agreed. If terms cannot be agreed, the vacant area could be marketed to let which would create revenue income for the council.
- 4.6 Whilst the works are being carried out on the building, officers will seek to keep disruption to the café and its visitors as little as possible.
- 4.7 Works to replace the public lift are currently excluded and further budget will be required, if this is to be replaced.

- 4.8 It is proposed to undertake an independent survey of the surrounding cliff adjoining the building and any budget to address the findings of that survey may also be required.

5. Corporate Priorities

- 5.1 Council's Corporate Plan priorities that relate to this building are:
- 5.2 Our Greener Future - Continuing to invest in the Council's property portfolio to reduce carbon impact. Continuing our programme of investment in coastal and resort infrastructure and amenities, building on the progress made in recent years.
- 5.3 A Strong, Responsible and Accountable Council - Investing in projects and assets which deliver financial returns and/or contribute to our wider objectives around Net Zero, business and jobs, community facilities and infrastructure.
- 5.4 The Council's Medium Term Financial Strategy includes the Capital Programme. There is a capital budget of a £1.0m included in the capital programme for this project as part the 2023/24 budget setting process to carry out the necessary repair works to the Rocket House building.

6. Financial and Resource Implications

- 6.1 Due to the condition of the property, it is both financially and officer resource intensive when dealing with repair issues.
- 6.2 The Council operates service charge for the building, and it annually contributes financial budget towards the repairs and maintenance.
- 6.3 There is a capital budget of £1m allocated in capital programme to carry out the necessary repair works, which is expected to meet the £828,695 budget cost. Officers will seek best value through procurement and the reuse materials (where possible), which will also support the Councils net zero priorities by ensuring this building has a robust remedial solution and seeking to minimise its carbon footprint.
- 6.4 Whilst a contingency budget has also been factored into the budget cost, there is a risk that project costs increase following procurement of the remedial works, due to construction cost inflation, project scope creep or if unknown repairs are identified once the project has started.

Comments from the S151 Officer:

7. Legal Implications

- 7.1 The property is subject to various legal agreements and Eastlaw have been providing advice.

Comments from the Monitoring Officer

Whilst all options set out in the Cabinet report of September 2023 remain available for consideration, in January 2024, Members did resolve to commission detailed investigations of the asset to determine the issues and cost of remedial options. This is now available. If Members wish to proceed with remedial works, the cost of doing so detailed in the report, has been arrived at in relation to a planned timeframe based on the departure of the RNLI in July 2024. Costs may rise if this timeframe changes. In the event that negotiations into a further lease or other occupation right are entered into, advice should be sought from the Council's legal team.

8. Risks

- 8.1 The existing RNLI tenant has served notice to vacate and whilst officers will seek to negotiate viable new lease terms for the Council there is a risk that appropriate terms are not agreed. In this instance the Council could market the building to let and seek an alternative tenant.
- 8.2 Due to the location of the building on the sea front, it is vulnerable to adverse weather conditions and storm surges. There is a risk that the building is substantially affected by such in the future.

9. Net Zero Target

- 9.1 Works to support the Council's Net Zero priorities and to meet current energy performance legislation form part of the proposed repairs.

10. Equality, Diversity & Inclusion

- 10.1 There are no equality, diversity and inclusion issues arising from the recommendations in this report.

11. Community Safety issues

- 11.1 There are no community safety issues arising from the recommendations in this report.

12. Conclusion and Recommendations

- 12.1 Following the previous reports to Cabinet 4th September 2023 and 8th January 2024 officers have obtained an independent damp investigation report.
- 12.2 The report provides the council with greater clarity over damp issues at the property, remedial proposals, indicative timeline and budget costings that are within the capital sum of £1m previously allocated.
- 12.3 With this information, Officers seek approval from Cabinet to:
- 12.4 Delegate to the Asset Strategy Manager (Estates), in consultation with the s.151 officer, the existing allocated capital budget to action remedial works as soon feasibly possible to the property, as outlined in the Intrusive Inspection and Damp Investigation Report, subject to the vacation of the tenant (RNLI).

- 12.5 Delegate to the Asset Strategy Manager (Estates), in consultation with the s.151 officer, to utilise any remaining capital budget to undertake energy improvement works to the property in order to increase the energy performance rating to the required standard for leasing.
- 12.6 Delegates authority to the Asset Strategy Manager (Estates), to commence negotiation of terms for a new lease, with the existing RNLI tenant, with a further report back to Cabinet in accordance with governance procedures.