

7. REMODELLING/REFURBISHMENT OF ACCOMMODATION AT THE MOORLAND CENTRE, EDALE, TO ACCOMMODATE THE MOORS FOR THE FUTURE PARTNERSHIP. (PM6351) (MI)

Purpose of the report

1. This report asks for approval of a programme of works and where necessary waiving of standing orders to address:
 - a) The accommodation needs of the Moors for the Future Partnership, (MFFP), if the Moorlife 2020 bid is successful
 - b) Replacement of the leaking roof which formerly operated as the water feature at the Moorland Centre
 - c) The changes needed to the campsite operation to aid implementation of these proposals.

Key Issues include:

- a) MFFP is currently accommodated at Fieldhead, Edale which also accommodates the Moorland Centre, a ranger office and workshop and a camp site which is let on a five year lease which expires in February 2017. The Moorland Centre houses a visitor centre which is open throughout the summer and on winter weekends together with a display area
- b) If the Moorlife 2020 bid is successful the numbers of staff involved will increase to a point where the presently crowded accommodation at Edale becomes unsuitable. Additionally the accommodation at Edale has never met all the space and use requirements of MFFP (e.g. laboratory and workshop space) and it will be necessary to address some of these to support such a large programme of work.
- c) Three options have been considered: Option 1: Do nothing; Option 2: Do nothing at Edale and secure alternative premises for the partnership; Option 3: remodel and refurbish the existing Edale accommodation
- d) There will need to be changes to the campsite operation and changes to the accommodation demised under the lease to facilitate the reconfiguration of the site to meet the MFFP accommodation needs. This will require the co-operation of the lessees of the campsite and will require changes in the form of a surrender of their current lease and grant of a new lease.
- e) The leaking roof will be replaced as part of the programme of works but will no longer provide a water feature. This needs the specific approval of members following a previous resolution when an appropriation to the Visitor Centres Specific Reserve was agreed; a request is also made to waive standing orders, if necessary, see below, due to the difficulties in identifying a supplier who will undertake this work.

Plans and photographs will be on view before the meeting to aid members' understanding of the issues and proposals.

Recommendations

2.
 1. **That authority is given to replace the existing central roof area of the Moorland Centre up to a contract of £40k and to waive the application of standing orders as to the company selected to carry out the work as detailed below**

2. **That contracts be let up to a maximum of £214,000 for a scheme of refurbishment and alterations at Edale, subject to a successful Moorlife 2020 bid, to:**
 - a) **meet the accommodation needs of MFFP**
 - b) **secure rationalisation and refurbishment of some of the campsite facilities to allow that to happen**
3. **That the campsite lease be renegotiated as detailed in the report**

How does this contribute to our policies and legal obligations?

3. Providing appropriate accommodation to enable the delivery of the Moorlife 2020 programme and using our assets well are key actions in getting the basics right contributing to our 2015/16 focus of: cornerstone 1 our people - supported, valued, empowered staff; cornerstone 2 our assets - looking after the places we own and operate.

Background

4. Over the past 11 years the MFFP staff team has been successful in developing a successful business model resulting in over £20m of work being carried out in that period. Whilst the location at Edale works well in terms of its position relative to the MFFP area of operation the present facility at Edale does not meet the present requirements of the MFFP let alone the increased needs which will arise if the current bid application is successful.
5. It should be emphasised that the shortcomings of the accommodation have not prevented the MFFP from generating and developing the level of work mentioned. The inadequacies of the accommodation at Edale were recognised some time ago and a hot desk facility was provided at Losehill Bungalow which has now been sold. That hot desk facility has now been transferred to Aldern House. Whilst this will be useful especially when staff have other business to conclude at Aldern House, it is poorly located for the team's working area which starts at Edale and runs North as far as the Yorkshire Dales.
6. In the context of the wider, overall, property situation at Edale, this site in its entirety is one of the Authority's most valuable property assets. The site houses the MFFP but also accommodates a large well used campsite run under a franchised leasing agreement, the visitor centre, and a ranger briefing centre and workshop.
7. There is scope for sharing of facilities and this has been considered during this assessment of options. For example shared use of a workshop between the Ranger Service and MFFP may be feasible as is hot desking for any ranger staff. The assessment of options has also proceeded on the basis that there will continue to be a visitor centre presence on the site.
8. At all stages of this assessment the longer term, post MFFP, strategic consideration of the option to dispose of the property in the future has been taken into account. Nothing that is proposed would hinder such a sale in the future and this has been a deliberate objective throughout. Indeed some of what is proposed may well enhance the saleability of the site in the eyes of some potential buyers

Options appraisal

9. MFFP gave officers a list of their requirements. They also carried out an analysis of their operating processes to identify alternative locations where they might be based and also indicated where they could be based if their needs could not be met at Edale. Using local agents officers initiated a search in three other areas: Glossop, Holmfirth and the eastern end of the Hope Valley. At the same time architects were commissioned to produce costed proposals for meeting as many as possible of MFFP's requirements at Edale. As a result the following three options were considered:-
10. **Option 1 – Do nothing**
This option would see no changes being made to the existing accommodation and facilities being made available to the MFFP at Edale. The present accommodation situation would make daily operation of the expanded Partnership impossible and would mean that the Partnership could not meet its obligations under the terms attached to the new funding.
11. **Option 2 – Do nothing at Edale and secure alternative premises for the Partnership**
This option would have involved no accommodation changes at Edale with that accommodation being augmented or replaced by premises elsewhere, probably outside the Park, taken on lease by the Authority for use by the MFFP. The detail of this option is expanded further below.
12. As stated above agents were retained to search for properties capable of meeting all the elements in the MFFP wish list in the Glossop, Holmfirth and eastern Hope Valley where MFFP staff considered relocation would be feasible given their area of operation.
13. The search in the Glossop area covered a very wide area and really only came up with two suitable properties. One is a former gymnasium at Mottram in what are two portal frame industrial units, available to rent at a combined figure for rent and rates of c.£75k p.a. plus estimated added annual running costs of, say, £30k. The building is larger than would really be needed to meet the list of requirements and would need a substantial internal refit. One other building was identified offering more space than would be needed, and also requiring extensive alteration, but was only available for sale at just over £500k.
14. A former more than adequately sized drill hall in a large former industrial building was found in Holmfirth at a combined rent and rates figure of c£38k or for sale at just under £1m. Refit costs would again be substantial.
15. **Option 3 – Remodel and refurbish the existing Edale accommodation**
With this option a comprehensive set of proposals would see the space currently occupied by the MFFP refurbished. It would see them expand into the display side of the Moorland Centre and largely use that as open plan office and meeting room space. The opportunity would be taken to rationalise the use of the wing behind the house which currently accommodates some campsite and ranger facilities. Significant gains can be achieved in the efficient use of space overall with only modest changes to the structure of that wing. This approach has been adopted to maximise the use of space in the short to medium term whilst at the same time not inhibiting any future strategic decisions concerning the longer term future of the site. More details of this scheme are given at Appendix 1.

16. **The preferred option** being proposed is Option 3 but this is based on a number of assumptions as follows:-

- (a) That the medium term strategy of the Authority is to retain the Fieldhead site for as long as the collective uses of the site contribute in sufficient measure to the strategic and corporate aims and objectives of the Authority in full acknowledgement that there may come a time when this is no longer the case and disposal may become an option going forward.
- (b) That no alterations, remodelling, refurbishment proposed now do violence to the possible longer term objective expressed at (a) above.
- (c) That the extent of proposals for alterations made now are proportionate in view of (b) above. This means that not all of the MFFP wish list of changes will be met in full.

Proposals

17. It is proposed that option three above is pursued and contracts are let up to a maximum of £214,000 to achieve the required reconfiguration of the Edale site to accommodate the MFFP team, including the campsite changes, subject to a satisfactory Moorlife 2020 bid. The essential elements of this scheme are given in Appendix 1. In progressing this proposal the following issues will need to be addressed:

18. Campsite lease:

- a) The scheme relies on a number of changes to the facilities of the campsite as outlined above and in Appendix 1. The leaseholders of the campsite have been very helpful and co-operative in agreeing in principle to the changes which affect their business. Their co-operation is crucial to delivering some of the objectives directly but also allowing the scheme's designers to consider better use of space by rationalising space they have occupied for many years.
- b) The lessees have been in occupation under successive leases for almost sixteen years and their current lease expires in February 2017. Normally they would expect to tender for a renewal for a further five years. In view of the co-operative approach they have adopted, their long period of occupation so far and to proceed with any scheme quickly, it is proposed to negotiate a surrender of the residue of their existing lease and grant a new lease for five years plus the residue of the current lease at a rent to be agreed..

19. Centre roof:

- a) In 2013 a request was made to appropriate funds to the visitor centre specific reserve for repairing the roof which had also been designed as a water feature. Members of Audit Resources and Performance Committee resolved (Minute 38/13) "That the use of the Visitor Services Specific Reserve for the repair of the water-feature roof at the Moorland Centre is subject to a Member decision once a business case has been produced."
- b) Significant effort has gone into researching how the former water feature could be replaced. Despite various attempts to stop the leaks over the years the roof still leaks and some of the leaks have affected the fabric and electrics. As part of this work it has been agreed that the water feature will not be replaced but the roof needs to be made water tight.
- c) The industry which provides structures of this type is small being roughly equally split between firms who use aluminium and glass or aluminium and polycarbonate. Officers spent considerable time trying to persuade companies in the industry to consider working on this unusual project. Eventually prices of £35,000 from a supplier using the glass method and £15,000 from a supplier using the polycarbonate method were obtained. These costs are three years old.

- d) Officers were minded to recommend the cheaper polycarbonate method as a cost effective solution but more recent advice has thrown into question whether this is a long term solution. Authority is sought to continue discussions with the limited number of suppliers in the market to find a solution within the £40k available to fund the works and to let a contract up to this price once a solution which satisfies property staff has been identified. This may require procurement standing orders to be waived should it not be possible to go through an open tendering process since we are working with specific suppliers to identify an appropriate cost effective and sustainable solution. Depending on the solution finally adopted, if at all possible normal tendering procedure will be followed.

20. Planning issues:

The following aspects of the proposed scheme will need discussion with planning colleagues and, where necessary, may require planning consent:

- a) The former water feature is to be replaced with a new roof.
- b) The new parking area will require planning consent.
- c) Use of part of the visitor centre as offices will require change of use consent.
- d) Some changes to the campsite facilities made necessary to facilitate the MFFP changes will need planning consent and change of use consent.
- e) One small new extension and possibly another small infill extension will require consent.
- f) Provision of a shed for the storage of the campsite lessee's mowers and equipment.

Financial implications:

21. The sources of funding for the proposals are:

- 1. Up to £40k in the visitor centre reserve to cover the cost of the roof repair
- 2. £14,328 towards previously planned refurbishment of the campsite approved as part of 2014/15 slippage requests- this planned work would take place at the same time as other work to the campsite facilities necessary to achieve the MFF accommodation needs
- 3. Up to £200k from the corporate overhead budget funded through a successful Moorlife 2020 bid.

Potentially this gives a total of £254k for all the proposed works on the site. The precise sum financed from the corporate overhead budget will be dependent on the final agreed contribution from the 1 and 2 above.

22. The cost of the accommodation works excluding the roof repair and planned campsite refurbishment is estimated at up to £200k and this figure is used in Table 1 below so that comparisons of the options can be made. Table 1 shows that option 2, securing alternative premises has a net present value cost of £270,000 and option 3, reconfiguring the Edale site has a present value of £172,000 indicating that this is the best financial option.

Table 1

Option	Cost	Other revenue property running costs	Corporate overhead Budget implication:
<p>Option 2. Other locations – Holmfirth as the cheapest available</p>	<p>£100,000 conversion cost plus rental of £38,000 p.a. for 5 years.</p> <p>Present Value cost of £270,000</p> <p>Rental includes IT connectivity which is greater than Edale</p> <p>Assumes no payment for residual value from landlord at lease expiry</p>	<p>Assumed as now</p> <p>NB running costs at Edale for remaining services becomes more as MFF contribution will follow team</p>	<ol style="list-style-type: none"> 1. £25,000 identified and approved at 2014/15 year end towards reconfiguration 2. £75,000 per annum repayment of remaining configuration costs consolidated into rental i.e. £53,000 per annum allocation from corporate overhead budget
<p>Option 3 Remain at Edale</p>	<p>Estimated at £200,000 for conversion.</p> <p>To increase ICT connectivity and share cost with Castleton visitor centre say £10,000 line cost p.a. (£20,000 p.a. if not shared with Castleton visitor centre)</p> <p>Present Value cost of £172,000</p> <p>Assumes 70% residual value after 5 years</p>	<p>Assumed as now but may be more if other services not based there into the future.</p>	<ol style="list-style-type: none"> 1. £25,000 identified and approved at 2014/15 year end towards reconfiguration 2. £12,000 per annum borrowing charge allocation from corporate overhead budget for £175k reconfiguration cost 3. £10k or £20k per annum allocation from corporate overhead budget for extra IT connectivity

23. In addition it needs to be noted:
- a) The above costs do not take into account the cost of paying towards excess travel costs if staff are relocated should option 3 not be pursued.
 - b) After the 5 year Moorlife period if the MFF partnership comes to an end or external funding ceases the outstanding loan will need to be funded from one of the following sources:
 - a pre-commitment against the capital receipt from the disposal of the site or
 - a continuing borrowing charge against any income that is derived from future tenants or services run from the site or
 - paid off by any remaining money in the corporate overhead budget after all other exit costs are funded

Asset implications

24. This site taken as a whole provides accommodation for the MFFP, a visitor centre which is open daily through the summer and winter weekends, a campsite and a briefing centre and workshop for the Ranger Service. When and if the time arrives where the MFFP no longer need their accommodation the attention of the Authority may move towards a possible sale of the whole site with vacant possession.
25. When that situation arises analysis will be needed as to whether the uses that remain make sufficient use of what by that time may well be the Authority's most valuable property asset. Any proposals to change the uses made of the site should always have that ultimate situation in mind in view of our medium and long term financial planning.
26. Any changes made now should not so change the character of the site or the facilities it now offers as to represent any risk of devaluing the long term asset value of the site. It is suggested that a site of this type in this location with established uses of the type now present, requiring little if any planning changes, would make this a very attractive site for a number of educationally or recreationally orientated bodies locally and nationally.

ICT implications

27. Any continued use of the moorland centre must include a secure location for the ICT core equipment (routers, switches, server, storage device and backup equipment). The exact amount of equipment will depend on the connectivity levels attained (see paragraphs below).
28. There may be an option of installing fibre connections to Castleton, and then onto Edale to significantly improve the connectivity to the Edale site addressing the risks which are currently carried including limited disaster recovery provisions, limited ability to publish MFFP data, limited ability to share PDNPA systems at Edale or to make use of web or cloud based systems and services. If the Moorlife 2020 bid is successful and the option of reconfiguring the Edale site is approved this will be progressed, funded through the corporate overhead allocation from the project budget. It should be noted that this will not have an impact of the saleability of the site, as we would be unable to maintain that connectivity should the site be sold. This is because the connectivity will actually form part of the PDNPA network, and so would not be useable privately by any future owners of that site.
29. Should the additional connectivity option not be possible, and the moorland centre remains as a satellite office, then a new local server, storage device and backup solution will be required during the 2015/16 financial year at a cost of approximately £6k funded from the corporate overhead budget or IT budget. This would limit the ICT ambitions of the MFFP as key business systems would not be available to them at Edale in this model.

Risk Management:

30. There are the following risks relating to the preferred option as follows:
- a) Costs so far are estimates which will be refined as the project develops.
 - b) The timetable for the work is tight with work expecting to start as soon as possible and finish by the end of December.
 - c) Disruption while work is carried out may impact on income levels but it should be possible to minimise that effect with good logistics planning and work sequencing. As regards the campsite any adverse effect should be minimal as to income and will be more related to general operational inconvenience.

Sustainability:

31. There are no implications as such but the main Centre building was provided with a ground source heat pump at the time of its construction and this system has been extended to provide heating for the offices used by MFFP. The proposed changes may provide limited opportunities to add further areas to the ground source heat pump heating circuits subject to it having sufficient remaining capacity.
32. The current ground source heat pump is not reversible and so cannot be used to aid cooling of the main Centre building which does suffer from overheating in summer. There is a possibility that replacement of the ground source heat pump may be possible at reasonable cost. If feasible replacement may secure tariff payments and would aid cooling as well as giving sufficient capacity to serve the whole site. This is being investigated but no detailed information is to hand at the time of writing the report.
33. **Background papers** (not previously published)
None

Appendices

Appendix 1: Essential elements of the scheme proposed

Report Author, Job Title and Publication Date

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