

CABINET

Wednesday, 11 July 2018

REFURBISHMENT OF EAST POINT PAVILION, LOWESTOFT (REP1862)

EXECUTIVE SUMMARY

1. East Point Pavilion (EPP) occupies a highly prominent position on Lowestoft seafront, at a key arrival point for visitors to the town. It was originally constructed in the late 1990's with part grant funding from the European Development Fund, with a 20 year life expectancy. The building is fully glazed including the roof of polycarbonate. A later additional building of similar design was added to accommodate public conveniences.
2. EPP has had various uses over the years, mostly connected with catering and children's soft play. Part has previously been used as a Tourist Information Centre.
3. Waveney District Council own the freehold interest in the property and currently part only is let under short term licence to a local café operator. The licence is based on a turnover rent which is anticipated to cover the rates and utility costs of the building for the period of operation but will generate no surplus income. We are unable to let the premises on longer term leases until we have addressed the building's Energy Performance rating which is below the minimum level at which we can legally enter into a lease. The cost of addressing existing wants of repair and bringing the building up to a modern and Energy Performance compliant standard are estimated at £455,000 plus VAT.
4. The building and its immediate surroundings have been identified as a key site in the Lowestoft Seafront Vision. Together they represent a key arrival point for visitors to the town and the gateway to the South Beach tourist area. The high cost of bringing the EPP back into beneficial use, combined with its dated design and general obsolescence, present an opportunity to review the options for the site more fully, including but not limited to a new iconic building that compliments and enhances the amenity of the adjoining terrace and gardens.
5. This paper is to advise Cabinet of proposals to develop concept designs and feasibilities for the option to redevelop the site and surrounding areas.

Is the report Open or Exempt?	Open
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Wards Affected:	Lowestoft
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Cabinet Member:	Councillor Bruce Provan Cabinet Member for Resources
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INTRODUCTION

- 1.1 This paper considers possible options for the East Point Pavillion site in the light of a recent assessment and costing of essential repair requirements.
- 1.2 Waveney District Council (WDC) own the building known as East Point Pavillion and the surrounding areas (edged in red on the plan in appendix 1).

2 BACKGROUND

- 2.1 EPP was built on the site of the former Royal Hotel and opened in 1993 and was part refurbished in 1999 with part funding from the European Development Fund, administered by the Government Office of the Eastern Region (Go East).
- 2.2 At the time of the refurbishment, the economic life of the building was estimated to be 20 years.
- 2.3 The building has housed various commercial tenants over its lifetime, predominantly catering orientated. Until 2012, the rear section housed the Lowestoft Tourist Information office. In recent years it has become harder to secure tenants as the general fabric of the building has deteriorated and the services have reached the end of their useful life. With the passage of time, the 'pastiche' building design has also started to look tired and dated which further reduces its appeal to prospective occupiers.
- 2.4 The property now has a failing roof and the heating and ventilation systems are beyond economic repair and require complete replacement.
- 2.5 Since April 2018 all commercial properties are required by statute to have a current minimum Energy Performance Certificate (EPC) rating of 'E' or above before they can legally be let. The current rating for EPP is 'G' and it cannot therefore be let without incurring significant expenditure on new services and roof insulation.
- 2.6 Accordingly, the building is now considered to be at the end of its useful economic life.

3 SURVEYS AND CONDITION

- 3.1 Surveys were commissioned and carried out to determine the current condition, remaining life and renewal costs.
- 3.2 The surveys have indicated, in summary:
 - The roof requires replacement. This would need to include additional insulation to improve the energy efficiency of the building.
 - The heating and ventilation systems require complete replacement.. The ventilations control system has already failed and parts are not available to affect a repair. One of the two boilers has been disconnected as it is unsafe.
 - The electrical system requires a substantial upgrade to meet current standards.
- 3.3 Budget costs have been applied to the works required which totals £455,000 +VAT (£546,000).

4 OPTIONS

- 4.1 In terms of how matters are progressed from here, Asset Management has considered 4 basic options.
- 1 – Do nothing
 - 2 - Repair and refurbish existing building
 - 3 – Demolish existing building and create open space
 - 4 – Demolish existing building and replace with new building
- 4.2 Option 1 (do nothing) has been discounted as it would effectively mean mothballing the building which would then blight this key area of the seafront and present a significant impediment to the delivery of the Seafront Vision.
- 4.3 Option 2 (repair/refurbish the existing building) is also not favoured as it is expensive and does not address fundamental issues with the design of the existing building which is dated, overbearing and poorly orientated within the context of its surroundings (i.e. totally obscured from visitors arriving to the town by the oversized toilet block). We anticipate therefore that securing lettings will remain a challenge even after the remedial works had been completed.
- 4.4 Whilst Option 3 (demolition and clear space) should not be discounted, we first wish to explore Option 4 (demolition and replacement) more fully before presenting a final recommendation to Cabinet. We believe there is a significant opportunity to create a new landmark building in what is one of the most prominent and important locations in Lowestoft, at the gateway to the South Beach tourist area and primary arrival point for the town. It also presents an opportunity to link the building more sympathetically to its immediate surroundings of the Royal Green and fountain square, thereby creating a much greater sense of place.
- 4.5 Clearly a redevelopment of this nature would be expensive and we therefore need to fully investigate the potential costs, grant funding options, revenue potential and social/regenerative benefits of any proposal before reporting back to Cabinet. Whilst we would expect the key commercial element to be based around a food and beverage offer, we also wish to explore the incorporation of a more community orientated use which will help to ensure a more sustainable year round use of the site.

5 PROPOSAL

- 5.1 The proposal is to fully investigate Option 4 (demolition and replacement of EPP) with a view to developing a viable scheme to be brought before Cabinet with a full business case. In order to progress the feasibility we seek approval to funding of up to £30,000 ex VAT to cover design team/consultancy fees. Whilst not guaranteed, the intention is to seek grant funding for a proportion of these fees from the Coastal Revival Fund.
- 5.2 The Minister for Housing, Communities & Local Government has recently launched the latest round of Coastal Revival Fund (CRF) funding. The government is inviting bids of up to £50,000 per project (total £1 million funding pot), to be submitted by Thursday 5 July 2018 (grants to be spent by March 2019). This Coastal Revival Fund will support projects to help revive assets that are important to local communities but have not yet reached their full economic potential or are facing neglect. Examples of eligible sites and assets include seafronts and public squares, as well as piers, parks, promenades, lighthouses, lidos, marinas, military structures and so on. There should be a clear link between what the project aims to achieve and planned future improvements to the asset.

6 HOW DOES THIS RELATE TO EAST SUFFOLK BUSINESS PLAN?

- 6.1 Within the East Suffolk Business Plan, Waveney District Council aspires to achieve financial self sufficiency. The Council is keen to consider opportunities within its asset portfolio that achieve these aspirations. Also, the business plan aims to work closely with communities to improve services and build resilient communities. The scheme will need to be financially viable and contribute to the area being an accessible, useable asset for the community.
- 6.2 The proposal will support the seafront economy by encouraging seafront activity, enhancing the heritage of the area and delivering an income return on the capital outlay.

7 FINANCIAL AND GOVERNANCE IMPLICATIONS

- 7.1 The land affected is in the ownership of WDC.
- 7.2 The cost of the design and consultancy work to consider viability (up to £30,000 ex VAT) is eligible for consideration for grant funding by Coastal Revival Fund.

8 CONSULTATION

- 8.1 Officers have had initial discussions with Economic Regeneration and Development team, and will have further discussions with other parties as the scheme is developed.

9 REASON FOR RECOMMENDATION

- 9.1 Part of the Asset Management team's role is to continually review assets within Waveney District Council's property portfolio. This ensures that the assets continue to provide community benefit and financial return.
- 9.2 This proposal seeks to ensure that the council continues to maintain its asset.

RECOMMENDATIONS

1. That Cabinet approves expenditure up to £30,000 for further investigation and preliminary design work of the *main building*.
2. That Cabinet approves a bid to the Coastal Revival Fund to support the work to the *surrounding area*, reflecting the overall vision.

APPENDICES

Appendix A	Site ownership plan
Appendix B	Existing floor plan
Appendix C	Hemmingway Report

BACKGROUND PAPERS

None.