

**REVISED PROPOSED BUSINESS CASE TO FUND THE ROOF WORKS
REQUIRED AT THE MARWICK CENTRE, MARCH, PE15 8PH**

To: Commercial and Investments Committee

Meeting Date: 19 October 2018

From: Chris Malyon, Deputy Chief Executive and Chief Finance Officer

Electoral division(s): March North and Waldersey

Forward Plan ref: n/a **Key decision:** No

Purpose: To agree the strategy to fund the repair to the roof at the Marwick Centre, 21 Marwick Road March, PE15 8PH

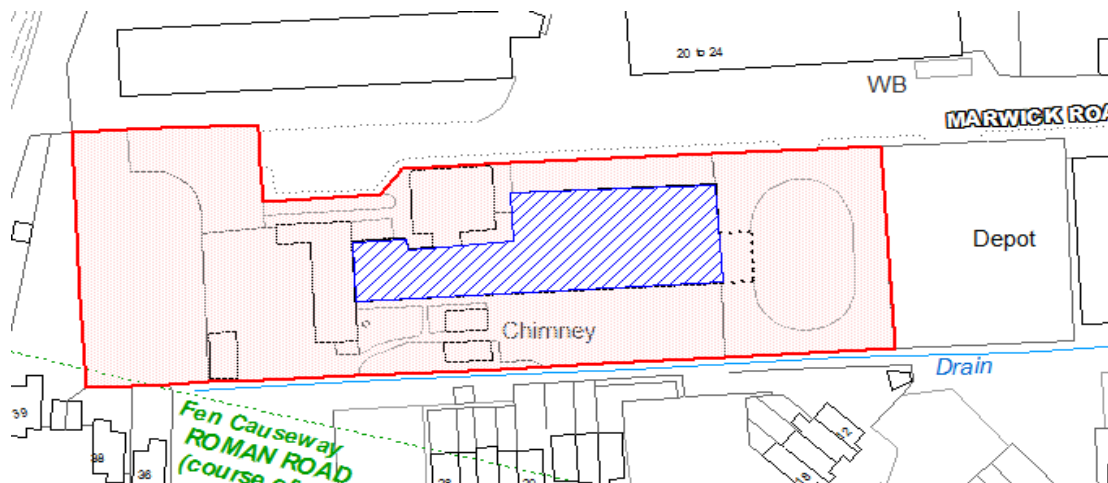
Recommendation:

- a) The Committee approve that in consideration for CCC paying for the roof works of £113,350 plus VAT, Fenland Area Community Trust (FACET) will pay back 50% of the costs over the duration of the lease
- b) That 50% of the costs of this works, plus interest, will be recovered through an increase in the lease payment by Fenland Area Community Trust (FACET).
- c) That General Purposes Committee be requested to approve an increase in the 2018/19 capital programme of this Committee to cover this cost of the roof repairs.

<i>Officer contact:</i>		<i>Member contacts:</i>	
Name:	John Macmillan	Names:	Councillor Josh Schumann
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Email:	John.macmillan@cambridgeshire.gov.uk	Email:	
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1. BACKGROUND

- 1.1 Cambridgeshire County Council (CCC) own the freehold of The Marwick Centre which is currently occupied by Fenland Area Community Trust (FACET). The main building is approximately 1,350 m², providing training facilities, a sensory room, two halls and garden centre area. Prior to FACET taking occupation the 1960's part of the building which has a flat roof construction had been in a state of disrepair.
- 1.2 FACET are a Registered Charity who provide training and day care to adults with learning disabilities within Fenland. They deliver over 31,750 training sessions per year, with circa 140 students attending each week, around 75 are directly funded by CCC/Local Development Partnership.
- 1.3 In 2010 FACET secured grant funding from the Social Enterprise Investment Fund (National Government source) and a total of £425,617 was spent on refurbishment works by FACET, including £134,000 to replace the flat roof.
- 1.4 This funding was conditional upon a new 25 year lease being granted which was approved by Cabinet on 24 February 2009. Outline of the decision in Appendix 2.
- 1.5 FACET were granted a 5 year lease with effect from 1 April 2009 which they are now holding over on and the terms of which continue to apply. The intention is to enter into a 25 year lease which is yet to complete once terms are finalised. As tenant they are have a repairing liability under the terms of the lease they are holding over on.
- 1.6 In February 2017 Strom Doris caused significant damage whereby part of the flat roof lifted off. CCC's loss adjusters Cunningham and Lindsay (C&L) settled the claim, but additional damage identified to the area hatched blue was raised by FACET's structural engineers Morton & Hall (M&H) and in consultation with C&L this was added to the original insurance claim..



- 1.7 At the 23 March 2018 C&I Committee meeting a report was presented requesting the Council to fund some repair work to the roof costing £92,934 which would be repaid back by FACET over the term of the lease if the claim was not settled by CCC's loss adjusters C&L. CCC insure the property under the block insurance policy. The C&I committee resolved to :

It was resolved:

- a) that in consideration for Cambridgeshire County Council (CCC) paying for the roof works of £92,934.60 plus VAT, if the insurers do not agree a settlement, then FACET pay Cambridgeshire County Council back a fixed sum over the period of the lease, and no interest will be charged.

- 1.8 The loss adjuster's report which was received after C&I said that they could not support the claim for additional storm damage so the insurance claim could not be settled.
- 1.9 FACET subsequently met with Chris Malyon and other CCC officers on the 28th August and confirmed they could not afford to repay the full cost of the works which have now increased as a consequence of the specialist report.

2 MAIN ISSUES

- 2.1 The remainder of the flat roof shown hatched blue below, is considered dangerous. There is concern that the building could be closed if there is further deterioration or in the event of bad storm it could be lifted off.
- 2.2 A temporary fix to keep the roof secured down by strapping was carried out by East Coast, but a permanent solution is required to make the roof secure and safeguard against a similar situation occurring in the event of another bad storm.
- 2.3 Following the C&I decision in March the loss adjusters C&L appointed specialist consultants to report on the additional damage to the roof the first report was inconclusive so a second roofing specialist was appointed.
- 2.4 The second specialist RAM instructed by C&L took core samples of the roof and found that there were substantial voids beneath the boards with little or no adhesive fixings were spaced at 2m intervals and not all were firm. The conclusion was that the insulation had not been bonded correctly to the original felt roof which was causing the roof to lift in the high winds and their explanation to the tears in the roof covering being during the clearance phase and not caused by Storm Doris.
- 2.5 The conclusion was finally reached by C&L was that they would not support a further insurance claim for storm damage to the rest of the flat roof. This means that the roof works would have to be funded by FACET or ultimately if FACET did not comply with the repairing covenant it would fall to CCC as landlord. FACET wish to start works on the rest of the roof as soon as possible to make the building safe
- 2.6 The original repair carried out of the roof construction was questioned and found to be inadequate, the contractor then (Litchfield) failed to bond the underside of the insulation slabs to the existing flat roof. Subsequently the defects have been highlighted follow the storm but not resulting from it. The contractor is considered to be negligent and this is being pursued by CCC's insurer's recovery team against the original contractor. However this claim is progressing very slowly and cannot be relied on for recovering cost of the works required to make the roof safe this winter.

- 2.7 After a tender exercise two contractors provided quotes to FACET's structural engineer Morton & Hall. The most competitive quote was £92,934 but the final specification was amended and the final quote confirmed as £113,350 plus VAT breakdown (Appendix A). East Coast were the most competitive contractor and have prior knowledge and experience of working on the flat roof and its existing covering.
- 2.8 However specialist consultants employed by C&L have proposed that more extensive repairs are required which may be in the region of £300,000 and would entail a new roof being installed. This specification was taken on board by M&H who subsequently worked with East Coast to agree the final specification. M&H do not believe that a new roof is required. FACET have expressed a preference for the East Coast amended specification as completely reroofing would cause significant disruption to their services as well as costing significantly more.
- 2.9 If the building closed students would have to find alternative centres. There is another day centre in March but it is already close to full capacity and other options are some distance away therefore incurring additional transport costs and in some instance it may not be suitable for a vulnerable person to travel.
- 2.10
- 2.11 The people CCC / LDP fund to attend FACET will have an eligible social care need under the Care Act 2014 for this type of provision / day time activity or occupation and therefore CCC / LDP have a duty to meet these needs under legislation
- 2.12 Legal have confirmed that if CCC provide FACET with the money for the roof works it would not be considered as State Aid.
- 2.13 FACET are unable to pay the full cost of the work and want CCC to pay the full cost of works and then 50% of the costs to be repaid by FACET over the remainder of the duration of the 25 year lease.

3 PROPOSALS

- 3.1 That the County Council pay for the repair work quoted at £113,350 + VAT.
- 3.2 That FACET repay 50% of the cost over the duration of the lease period which will have approximately 21 years remaining.
- 3.3 Interest to be charged on the repayment at a rate in accordance with CCC loan policy (approx. 3.5%).
- 3.4 If the lease is determined in any way by FACET are to repay the remainder of the cost of the works outstanding.
- 3.5 CCC insurers recovery team to continue to seek a claim against the original roof contractor.
- 3.6 To complete the 25 year lease without further delay.

4 ALIGNMENT WITH CORPORATE PRIORITIES

4.1 Developing the local economy for the benefit of all

- FACET employ 37 staff, with 4 being the Senior Management Team.
- They have 4 charity shops in Fenland and train some of their students in retail so they may go on to work outside of FACET.
- A placement at FACET costs less than any form of supported living or residential placement that may otherwise be required.

4.2 Helping people live healthy and independent lives

- FACET provide training and day care for adults with learning disabilities.
- They provide lessons in everyday life skills such as cooking and healthy living.
- They also provide lessons and training in Maths, English, Science, IT, woodwork and horticulture

4.3 Supporting and protecting vulnerable people

- FACET provide support and training to those with disabilities and also their families and carers.
- They employ a specialist in autism
- The facilities such as the sensory room allow for a wide spectrum of learning abilities to be catered for.
- Alternative facilities in the vicinity are currently at full capacity and students would have to travel to next available facilities in Ely which would incur travel costs and some may not be able to travel.

5 SIGNIFICANT IMPLICATIONS

5.1 Resource Implications

The report above sets out details of significant implications in

5.2 Procurement/Contractual/Council Contract Procedure Rules Implications

The report sets out details of contract procedure rules have been followed in securing the quotes in 2.7 and 2.8.

5.3 Statutory, Legal and Risk Implications

5.4 Equality and Diversity Implications

- The report above sets out details of significant implications in

4.5 Engagement and Communications Implications

- There are no significant implications within this category.

4.6 Localism and Local Member Involvement

- There are no significant implications within this category
- The local member, Councillor Count is the local member and is aware and hoping for a sympathetic hearing for this vital service which serves very vulnerable people.

4.7 Public Health Implications

- The report above sets out details of significant implications in 4.2, 4.3

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Jon Collyns
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Debbie Carter Hughes
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan

Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer: Christine Birchall
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Councillor French and Councillor Count have been consulted.
Have any Public Health implications been cleared by Public Health	N/A

Source Documents	Location

Appendix 1



101 Elwyn Road • March • Cambridgeshire • PE15 9DB • tel: 01354 607755
web: www.eastcoastbuilding.co.uk • email: info@eastcoastbuilding.co.uk

FAO Linda Ingram
21 Marwick Road
March
Cambs
PE15 8PH

25th September 2018-09-25

Revised Tender

Quantity/Description	Item Price
Skips	£ 2,000.00
Scaffold	£ 5,500.00
New Roof Deck	£ 47,453.00
New Roof Covering	£ 31,533.00
External Making Good	£ 11,000.00
Work around roof lights & sill details	£ 5,560.00
Sub-total	£103,046.00
Contingencies @ 10%	<u>£ 10,304.60</u>
Total (excluding VAT)	£113,350.60

Should you require any further information, please feel free to contact me.

Regards

Jonathan Gull (Company Director)



vat number: 116 1737 32 • Company number 7667546
Registered Office: 8 Grange Road, Wisbech, Cambs, PE13 1SF



Appendix 2

Extract from 2009 Committee decision

Name: George Hunt
Post/ Position: Commissioning Lead, Disability Services, ASS, CCC
Telephone: 01223 699246
Email: George.Hunt@cambs.gov.uk

Electoral Divisions/Districts: All Electoral Divisions

Forward Planning ref:

Key Decision?: No

Purpose: To explain why the County Council's disability service supports a proposal to grant a 25-year lease to FACET (Fenland Area Community Enterprise Trust) of Marwick Centre, March at less than best consideration.

Recommendation: Cabinet is requested to:

- i) Support the proposal set out in paragraph 2.1 to grant a 5-year lease for Marwick Building to FACET at peppercorn rent with the County Council having no repair liabilities.
- ii) Confirm that FACET can be offered a 25-year lease at a peppercorn rent with no repairing liabilities on the County Council. This allows FACET to seek funding to improve the building. This lease would be issued once FACET has secured an offer of funding.
- iii) Agree that any lease(s) will be on such detailed terms approved by the Director of Finance Property and Performance in order to protect the County Council's interests.

Reports:

Decision:

It was resolved to:

- i) Support the proposal set out in paragraph 2.1 of the officer's report to grant a 5-year lease for Marwick Building to FACET at a peppercorn rent with the County Council having no repair liabilities.
- ii) Confirm that FACET can be offered a 25-year lease at a peppercorn rent with no repairing liabilities on the County Council. This allows FACET to seek funding to improve the building. This lease would be issued once FACET has secured an offer of funding.
- iii) Agree that any lease(s) will be on such detailed terms to be approved by the Director of Finance Property and Performance in order to protect the County Council's interests.

Reason/ Options Considered:

The County Council has declared an old day centre site on Marwick Road, March surplus to requirements. The site is currently occupied by the Fenland Area Community Enterprise Trust (FACET). The previous short-term lease arrangement between FACET and the council expired in June 2008. Adult Support Services are requesting a 25-year lease of Marwick Centre be granted to FACET at "less than best" consideration. The local member, Councillor John West is supportive of the facility and spoke in general support of the recommendations at the meeting.

The disability service supported the FACET request to secure the use of the old Marwick building to ensure development and sustainability of services into the future. FACET wished to commence a planned programme of improvements to the building which was only possible if they are able to acquire a long-term leasehold and be able to lever in funding.

Published on: 26/02/2009

Call in Deadline (17:00hrs) on:

Appendix 3

Extract from C&I Committee meeting decisions

		4. Approve granting of a lease at a peppercorn rent.
9.	Proposed Business Case to fund the roof works required at the Marwick Centre, March	It was resolved: a) that in consideration for Cambridgeshire County Council (CCC) paying for the roof works of £92,934.60 plus VAT, if the insurers do not agree a settlement, then FACET pay Cambridgeshire County Council back a fixed sum over the period of the lease, and no interest will be charged.