

Report to	National Park Authority
Date	19 December 2019
By	Head of Business Services
Title of Report	Wealden Area Office Proposal – Heath Barn Farm
Decision	

Recommendation: The Authority is recommended to:

- 1. Note the position regarding the estimated refurbishment costs of Heath Barn and the proposed lease arrangements with the National Trust.**
- 2. agree to delegate authority to the Chief Executive in consultation with the Chair of the Authority, to sign a lease with the National Trust on the basis described in the report, and to proceed with the refurbishment of Heath Barn Farm, also as described, once the lease is in place,**
- 3. to make the necessary allocation of funds (£678,000) to this project from the Estates Management Reserve**

1. Introduction

- 1.1** The purpose of this report is to seek the appropriate delegations and allocation of funding to to lease the Heath Barn Farm premises from the National Trust and to refurbish those premises to provide a new Wealden Area Office. This proposal has been considered by the Policy and Report Committee and the report includes changes arising from that meeting.
- 1.2** The SDNPA Area Offices generally have provided a poor standard of accommodation for staff and volunteers and have tended to be on very short lease holds with no security of tenure. To remedy this situation an estates strategy was put in place to move each of the offices to more suitable occupation and provide more security at least over the medium term in the first instance. This is still seen as only an interim solution and the ultimate objective is to have SDNPA specific premises, designed to meet all of our needs in each Area. This investment will require ownership or a longer lease term.
- 1.3** During 2018, the Eastern Area Office moved to new premises within Stanmer Park and the Central Area re-located to improved offices within the grounds of Weald and Downland Museum. The Western Area offices moved to the current premises in Droxford. In each of those cases, the relocation brought improved accommodation and leases of at least five years in length. The remaining Area Office is in the Wealden Area.
- 1.4** The Area Office is currently based at Midhurst Depot, which is owned by West Sussex County Council. SDNPA currently has a rolling lease at the Depot, which can be terminated by either party on three months' notice. The current building is in a poor state of repair and does not provide a good working environment for the Area Team. West Sussex County Council do intend to develop the site in line with the local plan.

- 1.5 In 2018, SDNPA responded to an opportunity published by the National Trust, who were looking for tenants to take over the greater part of Heath Barn Farm, a steading on Petersfield Road, outside of Midhurst. Following a submission by SDNPA, preferred bidder status was agreed along with some outline terms. The building available for lease was in very poor condition internally and the principle was agreed that a reduction would be available on the commercial rent for the property in return for capital investment to refurbish this. National Trust have carried out works to the rear of the building to address internal dampness and to the roof of the barn.

2. The Design Phase

- 2.1 SDNPA commissioned an architect to design the refurbishment of the steading in late 2018, through a competitive tender process. The commission was based in two phases; converting the area immediately available to SDNPA and with a wider outline plan involving demolishing part of the structure and re-building some storage units.
- 2.2 The Architects held a number of meetings with the Area Team to ensure they captured all of the operational requirements and submitted initial designs. The designs were examined by the SDNPA Design Review panel and further recommendations were taken on board.
- 2.3 Initial costings show that it is much more cost effective to build the two phases together rather than as originally planned and this is possible since the tenants occupying the ground involved in the second phase are due to vacate their lease in July 2020. The cost plans provided by the Architects for Phase 1 as a separate unit, priced this at £573,000, with a further £268,000 estimated for Phase 2. (£841,000 in total) This compares to a total estimated cost of £660,000 when both units are combined into one project.
- 2.4 The design has been commissioned to provide a similar level of accommodation for staff as the South Downs Centre provides. The space available will house the existing Area Team, including a separate staff breakout area and toilets with a shower and locker space. There is a separate welfare area for volunteers. The design includes adequate workshop space and storage, including specific storage for the Dark Night Skies' equipment.
- 2.5 With the second phase included in the single build, there is also provision for a hot-desking area, allowing additional capacity for staff from South Downs Centre and a separate meeting room for up to 12 people. There will also be a separate project area, with desk space for four people and a further meeting room adjacent to that. This will relieve space pressures on the South Downs Centre.
- 2.6 The accommodation as designed will provide all of the features an Area Office would need, such as sufficient workshop, storage and vehicle parking / movement, and will provide a good standard of working environment for the SDNPA staff based there. This would be the first Area Office designed to provide a long term solution, rather than occupying a shared space where compromises have to be made. Over a period of almost three years, it has not been possible to identify suitable premises for rent or purchase in the Wealden Heath Area, within the budget available.
- 2.7 The refurbished building will be well insulated and replacement windows will be double-glazed. Construction will be to meet BREEAM "Very Good" standard. Heating was originally planned to be by efficient gas boilers. Following discussion at Policy on Resources Committee, the architect has obtained a quote of £35,000 for an alternative method of heating using an Air Source Pump. The cost of this can be met within the provisional sum allowed for Mechanical and Electrical in the overall budget, in place of the proposed gas boilers. Two electric charging points will be provided within the car park. These will be available for SDNPA use only.

3. Issues for consideration

- 3.1 The main issue for consideration is the capital cost. This is estimated at £678,000 with contingencies of £60,000 included. This cost will be met from the Estates Management Reserve, which currently has a balance of £1,028,000.

- 3.2 The National Trust are currently offering a reduced rent of £9,000 per annum, (subject to 3 yearly review in line with RPI) through a lease term of 25 years, with an option for a further 25 years. The lease does have break points included on a five yearly basis, should SDNPA wish or need to terminate at an earlier stage. Savills, who have been negotiating the lease terms with National Trust on SDNPAs behalf, will confirm the value of this reduction from their own indices. However the figure is anticipated to be close to £400,000, giving a true cost of the facility to be £278,000. The capital sum invested would not be protected in the event of early termination of the lease by SDNPA.

4. Next steps

- 4.1 The next step, should the Authority agree that this scheme be taken forward, would be for the Architect to submit a planning application for the site, at the same time as SDNPA conclude the lease of the premises with the National Trust. This is likely to be in January 2020.
- 4.2 Subject to planning consent, tenders would be sought for the construction with the build beginning in summer for completion by the end of March 2021.

5. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No, other than Planning Committee
Does the proposal raise any Resource implications?	Yes, the estimated cost of refurbishment would be £660,000, with the resources being taken from the Estates Management Reserve
How does the proposal represent Value for Money?	The proposal represents the best option currently available for housing an Area Team in premises that are designed specifically for their use. A less expensive solution could be found to house the Area Team in existing rental accommodation for a shorter term, as we have done in other areas of the National Park. The cost above commercial rent over 25 years, identified above, is the cost of premises suited to use, for the longer term and without the compromises inherent in the other solutions.
Are there any Social Value implications arising from the proposal?	The refurbishment contract for the site will be let in accordance with the terms of the Social Value Act.
Have you taken regard of the South Downs National Park Authority's equality duty as contained within the Equality Act 2010?	Yes, Heath Barn Farm will have a much greater level of DDA compliance than the current Area Office, with a fully accessible ground floor offices, meeting room, workshop, kitchens and toilet facilities. The first floor will not be accessible but alternative desk space and meeting room facilities will be available on the ground floor. Currently the Area Office has stepped access and no disabled toilet facilities.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder implications arising from the proposal?	The refurbished steading is designed to provide secure accommodation for staff, equipment and vehicles.

Are there any Health & Safety implications arising from the proposal?	The current Area Office is based within a working Highways Depot. The new offices will remove the Health and Safety challenges this represents.
Are there any Data Protection implications?	No
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy?	The designs will provide for an Area Office which provides a high degree of sustainability, both in operation and in the build process.

6. Risks Associated with the Proposed Decision

Risk	Likelihood	Impact	Mitigation
Overrun on Cost of refurbishment	2	4	Contingency, not-lowest price contract, fixed price, minimise variations during build, value engineering if necessary.
Overrun on time beyond Midhurst Depot tenancy	2	2	Adequate build time allowed in contract, External works through summer, close liaison with WSCC to ensure no surprises on lease termination at Depot.

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Appendices

1. Ground Floor Plan as proposed
2. First Floor Plan as proposed
3. Elevations A & B as proposed
4. Elevations E & F as proposed

SDNPA Consultees Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Business Service Manager [if procurement involved]

External Consultees None

Background Documents Report to Policy and Resources Committee – 28 November 2019.