

OFFICER'S DECISION

Subject A revenue budget of £205,000 is required to cover Ealing's Council's costs associated with Southall Manor House being occupied on a meanwhile use lease between July 2022 and July 2024.

Decision by Chief Finance Officer (Section 151 Officer)

Non-key decision

Portfolio Councillor Bassam Mahfouz, Cabinet Member for Decent Living Incomes

Authority Financial Regulations: Section A, 2.4 The Statutory Officers, 2.4.3 Chief Finance Officer (Section 151 Officer), 2.4.3.3 states The Chief Finance Officer is responsible for financial activities and controls, pertinent to operation of the Council.

Financial Regulations: Section B – Financial Approval Limits, 10.2.1 Schedule of Financial Approval Limits, 2.3 Revenue Budget Additions Outside of the Annual Budget Process, 2.3A Budget Addition relating to a new planned activity or service delivery states the Section 151 Officer (or his/her deputies) has authority to approve budget changes up to £500k (where is it not a key decision).

Purpose

Southall Manor House (SMH), located at The Green, Southall, UB2 4BJ, is a Grade II* listed building, owned and managed by Ealing Council. The building has been largely unoccupied since 2009 and following extensive refurbishment and extensive consultation, engagement work to bring this premises into use, including identification of a meanwhile use operator to sign a meanwhile use lease and occupy and manage the premises for a period of 24 months, commencing in July 2022.

Activating SMH has been identified as a priority project by the Council with a commitment to activate the building within the first 100 days of the new administration. There is also a manifesto commitment to deliver a Southall Business Expo event within the first 100 days and this event is planned to be held on 7th July 2022. A launch event for the official reopening of SMH will also take place w/c 11th July 2022.

Due to the building being vacant for several years, coupled with it being a listed building, some essential maintenance will be necessary during the two years that it will be occupied under a meanwhile use lease. As the landlord, Ealing Council is responsible for this maintenance plus other associated costs (see table 1 below).

The cost of essential maintenance

The Planned Preventative Maintenance (PPM) schedule developed in 2020 stated that £325,100 of repairs were required between the period of 2020-2025. It has been estimated this price will have now increased to approx. £357,610, due to inflation. No substantive repairs have been undertaken between the report's commission and the date of this Officer's Decision.

Based on the reasoning that £357,610 of repairs are required over 5 years, the annual repair costs would equate to £71,522. As no PPM maintenance was carried out in 2020/21 or 2021/2022 Property Services have recommended that three years of PPM would be required to be carried out in 2022/23 and 2023/24, totalling £214,566.

A total of £40,000 for PPM has already been identified leaving a PPM deficit of £174,566. Alongside this, additional funding is also required to cover FLAGE&L assessments and certificates, FLAGE&L compliance and building safety remedial works, undertaking condition surveys/schedule of conditions and for legal fees. The Following table sets out the required costs to be met over the 2022/23 and 2023/24 period:

Table 1

Cost / liability	2022/23	2023/24
Repairs & maintenance	£87,283*	£87,283*
FLAGE&L assessments and certificates	£8,000	£8,000
FLAGE&L compliance and building safety remedial works	£2,500	£2,500
Condition surveys/schedule of condition	£1,750	£1,750
Legal fees	£2,500	£2,500

Total	£102,033	£102,033
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** £20,000 per annum already identified and therefore subtracted*

A revenue budget of £205,000 (rounded) is required to cover Ealing’s Council’s costs associated with Southall Manor House being occupied on a meanwhile use lease between July 2022 and July 2024. The source of this revenue will be a mix of appropriate s106 funding that has been collected in Southall wards plus other council grant income. This budget is capped and will only drawn-upon as and when maintenance becomes essential and necessary for the safe and viable operation of the building as specified by the meanwhile use operator.

Consultation

Engagement work with local businesses in Southall was conducted in January-February 2022 and studies completed by “We Made That” as part of the area-based work being completed by colleagues in the Area Regeneration & Economic Renewal Team for Southall. This has helped underpin the business case to activate SMH to support Southall’s local businesses and local economy.

Consultation was also carried out as part of a business survey conducted during April-May 2020 to understand the immediate impact of the Covid-19 pandemic to Ealing’s businesses and obtain data to help target support for businesses. This data was used to inform the development and delivery of the council’s business support programmes.

Equalities Analysis Assessment

An Equalities Analysis Assessment was completed for the ICMD decision to award covid recovery grants, with the meanwhile activation of Southall Manor House listed as one of the projects.

Decision

To allocate and approve a revenue budget of £205,000 (rounded) is required to cover Ealing Council’s costs associated with Southall Manor House being occupied on a meanwhile use lease between July 2022 and July 2024.

Reasons

Activating SMH has been identified as a priority project by the Council with a commitment to activate the building within the first 100 days of the new administration term.

This revenue budget will enable SMH to be activated and support the local businesses and local economy of Southall as it continues to recover from the pandemic and meets other challenges including the cost-of-living crisis.

Signature

A handwritten signature in black ink, appearing to be 'R. B.', with a horizontal line extending to the right.

Date of decision: 30 June 2022

NB Scanned copy of signed decision to be sent to cabinetreports@ealing.gov.uk

Please refer to the Decision Making Toolkit for further guidance

http://inside.ealing.gov.uk/downloads/download/100/decision_making_toolkit