

<b>16 November 2021</b>		<b>ITEM: 6</b>
<b>Corporate Overview &amp; Scrutiny Committee</b>		
<b>Report on Asset Related Savings</b>		
<b>Wards Affected:</b> N/A	<b>Key Decision:</b> N/A	
<b>Report of:</b> Sean Clark, Corporate Director of Resources and Place Delivery		
<b>Accountable Assistant Director:</b> Michelle Thompson, Interim Assistant Director Property		
<b>Accountable Director:</b> Sean Clark, Corporate Director of Resources and Place Delivery		
<b>This report is public</b>		

## Executive Summary

Cabinet declared a number of operational assets surplus to requirements at their meeting on 7 July 2021 as part of the Retain, Re-use, Release (3Rs) programme. Thurrock Council, like local authorities across the country, are facing financial challenges and are therefore targeting areas of high spend – assets fall into this category and this has informed the 3Rs process.

This report provides updates on the Thameside Building and Grangewaters whilst providing an update on the savings target of £1m set out in the 7 July 2021 Cabinet report.

- 1. Recommendation:**
  - 1.1 That the Corporate Overview and Scrutiny Committee comment on the report for consideration by Cabinet at their meeting on 8 December 2021.**
- 2. Thurrock Council's Financial Position**
  - 2.1. At their meeting on 7 July 2021, the Cabinet received a report on the Medium Term Financial Strategy (MTFS) that showed gross financial pressures of £34m over the two financial years 2022-2024.
  - 2.2. The report also set out that the council only has 16 cross-departmental budgets over £1m and so cost reductions of any significance needs to be

focused on those specific areas. One such budget is the cost of premises that has a budget of circa £3m. A saving of £1m was set.

- 2.3. In addition to revenue costs, both the Cabinet and the Corporate Overview and Scrutiny Committee have received updates on the need to reduce the capital programme to avoid future costs of prudential borrowing.

### 3. The Thameside Complex

- 3.1. The Thameside Complex houses a number of services and supports various community groups either through direct leases or through access to the theatre provision or other lettable spaces.
- 3.2. Whilst the remit and, therefore, focus for Corporate Overview and Scrutiny Committee is the cost and condition of the complex itself, updates on the various services are set out below.
- 3.3. The net revenue costs of the complex are now in the region of £600k and are set out below. Costs of the services within the complex, such as the Theatre, Museum, Library and Registrars, have their own separate budgets and so are in addition to these costs:

	<b>Outturn 2020/21</b>	<b>Budget 2021/22</b>
Maintenance	42,887	46,330
Utilities	58,574	128,193
Business Rates	185,573	212,650
Cleaning	96,993	80,776
Insurance	17,688	21,188
Sundry	4,893	724
Income	(3,217)	(49,722)
Direct Staff – Security etc	198,579	189,427
<b>Total</b>	<b>601,970</b>	<b>629,566</b>

- 3.4. In addition, it is clear that there has been a lack of capital investment over at least a decade whilst there has also been various reports and studies on the suitability of the theatre as it is currently.
- 3.5. The following table shows estimated capital expenditure circa £16m that would be required over the short to medium term should the complex remain open. The cost of the Theatre modernisation comes from reports going back to 2015 and 2016 and so could range widely:

<b>ITEM/ELEMENT</b>	<b>TOTAL</b>
Roofs & rainwater goods	£553,000
External walls and cladding	£230,000
Windows doors and joinery	£183,000

<b>ITEM/ELEMENT</b>	<b>TOTAL</b>
Décor and finishes	£209,000
Sanitary fittings	£60,000
Drainage	£40,000
Lifts	£328,000
Theatre modernisation/refurb	£6,600,000
Office and other areas modernisation/refurb	£2,400,000
M&E services	£2,530,000
External areas and boundaries	134,000
Fire precautions	£182,000
Statutory compliance/Planned maintenance	£482,000
Sub-total	£15,556,000
Contingency/risk allowance @ 12%	£1,671,720
Project management fees	£750,000
<b>Total</b>	<b>£16,352,720</b>

3.6. Updates on the various services within the Complex are as follows:

3.6.1. Arts, culture and heritage have an important part to play in place making and the future prosperity of Thurrock through supporting economic growth as well as the positive effects on health and well-being, education and contribution to quality of live. Officers are currently working with stakeholders to co-produce a new cultural strategy and delivery model that repositions cultural services and in particular, our approach to cultural regeneration to better support the Council's place ambitions.

3.6.2. Thameside Theatre and the Thurrock Museum Gallery reopened to the public in September. To support the continued delivery of cultural services officers are exploring with partners alternative options for performances in venues across Thurrock and discussions are underway with interested parties on the potential for community asset transfer of the Thameside Complex. Work is also underway to digitise the museum collection and we are collaborating across services, for example Museum Service and Libraries looking at ways to better display artefacts and archives that are historically significant and important to Thurrock in libraries across the borough similar to the BATA Exhibition display at East Tilbury Library.

3.6.3. The development of a new cultural strategy aims to increase the levels of participation in arts and cultural activity through the delivery of strategic initiatives such as community led cultural provision through programmes like the Creative People and Places (CPP) programme, align with the council's Health and Well-being Strategy by exploring ways to maximise the power of culture and creativity to support the well-being of individuals and communities

as well as support cultural regeneration in Thurrock as part of an integrated plan for economic growth.

- 3.6.4. Should the Complex close, the library would be resituated into the ground floor of the Civic Offices (2); and
- 3.6.5. Provision of the Registrar Services has already been facilitated in the Civic Office extension, CO3.
- 3.7. Should Cabinet confirm the closure of the Thameside Complex, this will not happen before the end of March 2022 to allow further time to develop the above and to re-situate the library.

#### **4. Grangewaters**

- 4.1. Grangewaters was identified as surplus to requirements under the challenge of whether it was considered a council's core activity. There has been no immediate decision on the future of the site although the possibility of development is being explored.
- 4.2. Members should note that there has been a successful application to classify Grangewaters as an Asset of Community Value. As such, should the council decide to sell the site within a given period, it must be first offered to the community.
- 4.3. Until such time as a firm decision is made and can be actioned, the site will remain open and operational.

#### **5. Libraries**

- 5.1. In discussion with relevant portfolio holders, there are currently no plans to close any libraries.

#### **6. Savings**

- 6.1. The closure of the Thameside Complex, along with other savings such as the cancellation of the lease on the multi-storey car park, would achieve circa £850k in savings. As such, the MTFs has been revised to reflect this lower saving level thus increasing the deficit.
- 6.2. Should the Cabinet decide to keep the Complex open, this would add a further pressure of £600k.

## **7. Reasons for Recommendation**

- 7.1. The Council has a statutory requirement to set a balanced budget annually. Specific budget reports have set out the overall pressures in more detail whilst this report sets out the savings that can be made from assets.

## **8. Consultation (including Overview and Scrutiny, if applicable)**

- 8.1. This report forms part of the consultation process. Consultation is also taking place in the community and with affected staff.

## **9. Impact on corporate policies, priorities, performance and community impact**

- 9.1. Rationalising assets is reflective of good practice and frees up sites for alternative uses in the community.
- 9.2. The closure of the Thameside Complex would impact on the Arts and Culture sector though work continues in developing alternative provision and approaches.

## **10. Implications**

### **10.1. Financial**

Implications verified by: **Jonathan Wilson**

**Assistant Director Corporate Finance**

The financial implications are set out in the body of this report. Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Whilst assets are intrinsic to service delivery, disposing of surplus assets both reduces revenue expenditure and raises a capital receipt to invest elsewhere.

### **10.2. Legal**

Implications verified by: **Ian Hunt**

**Assistant Director Law & Governance  
and Monitoring Officer**

The Council is generally empowered to dispose of assets which are underperforming or surplus to requirements. Each asset will need to be checked to ensure its formal ownerships and appropriation enable general disposal with terms to be confirmed.

### **10.3. Diversity and Equality**

Implications verified by: **Natalie Smith**

**Community Development and Equalities  
Manager**

The Asset Disposal Policy sets out considerations for bringing agility to land and property assets so that the delivery of the Council's goals and objectives are realised in a sustainable manner, at the right time and on budget. The policy itself will be the subject of a Community Equality Impact Assessment to mitigate the risk of negative impact on citizens and communities. Where community assets are identified for disposal, the process set out for the implementation of the CAT Policy and principles of the Collaborative Communities Framework will be applied, this includes the completion of CEIA's on a case by case basis, engagement with the voluntary and community sector, and an assessment of social value that includes support for Thurrock's recovery from COVID-19 and building resilience within communities and voluntary sector networks.

**10.4. Other implications** (where significant) – i.e. Staff, Health Inequalities, Sustainability, Crime and Disorder, and Impact on Looked After Children

Assets are used for a range of purposes including direct service delivery, use by community groups and residents.

**11. Appendices to the report**

There are no appendices to this report.

**Report Author**

Sean Clark

Corporate Director of Resources and Place Delivery