

Update on progress with the Red House

Submitted by the Secretariat

The Secretariat confirms that following the Commission's ballot to buy the IWC Headquarters building (see circulars IWC.CCG.1171, IWC.CCG.1179 and IWC.CCG.1188), the purchase of the freehold was completed on the 5th of February 2016 for a price of £1,000,000.

The principle benefits to the Commission of this purchase are financial as outlined in the ballot circulars. The financial benefits arise because the rental costs of office accommodation in the Cambridge area are rising, whereas the cost of borrowing money to purchase the property is at a historically low level.

As noted in Circular Communication IWC.CCG.1179, the Red House office accommodation requires improvement. The purchase removed the requirement for the Commission to pay extensive dilapidations charges to a new landlord, and instead to plan a series of improvements in a manner fitting the budget available and to appropriate timescales. In addition, being the freeholder gives the IWC the freedom modify the workspace according to its needs.

Following the purchase the Secretariat has taken steps to develop and plan a repair and renovation programme, concentrating in the first instance on the main red brick section of the property. These repairs will be financed from the dilapidations provision which the Commission built up in previous years, and which is no longer required as a provision because of the termination of the lease. The Secretariat is proposing to disburse these funds according to the following schedule:

Item	Estimated cost (£)	Timescale
Damp investigation and treatment	8,830	12 months
Replace failed windows with double glazing	44,000	12 months
Internal re-decoration	10,678	24 months
Replace lighting	3,296	now
Deep clean	600	now
Replace floor coverings	10,920	24 months
Minor repairs	3,000	12 months
Total	81,324	
Dilapidations provision	81,340	

In addition, the Secretariat have taken steps to consider the most appropriate approach to either renovate, repair or rebuild the rear warehouse section of the property totalling 3500 sqf. A recently commissioned surveyor's report notes:

'The warehouse was constructed for a different purpose in a different era and does not appear to be performing well in its current use. The asbestos cement roof has reached the end of its useful life and needs replacing but it is not clear that the lightweight roof structure is adequate to carry additional loads. Therefore, this should be assessed by a structural engineer before proceeding further. The solid brick external walls and old metal framed windows as well as the roof achieve very low levels of insulation leading to inefficient heating and poor comfort levels. It would be feasible to upgrade the walls and replace the windows. However, dependent on your organisation's requirements I would question whether it is worthwhile refurbishing the warehouse. Redevelopment should be investigated perhaps considering a two-storey building providing additional office accommodation at first floor level. Of course redevelopment would be subject to planning permission.'

Following this advice, the Secretariat has consulted an architect regarding the warehouse and he has indicated that redevelopment of the building is the best course of action, but the level of redevelopment would depend upon the IWC's ongoing requirements for office, meeting and storage space.

The architect will be able to provide different options and fully costed plans for discussion and Commission agreement. In order to progress this further, the services of a structural engineer and quantity surveyor are also required. The total costs of this work including the architect's fees has been quoted to be £9750.

Proposed course of action:

- 1 The Secretariat will proceed with the immediate repairs and renovations to the main section of the Red House following the schedule of charges presented in the table above.
- 2 The Commission is requested to approve an additional spend of approximately £10,000 in order to draw up plans for the warehouse section of the property, with a view to presenting costed options to the Commission at IWC 67 in 2018.