

REPORT TO	DATE OF MEETING
Cabinet	7 November 2012

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SUBJECT	PORTFOLIO	AUTHOR	ITEM
Occupancy of Worden Hall	Finance and Resources	Mark Gaffney / Howerd Booth	9

SUMMARY AND LINK TO CORPORATE PRIORITIES

Worden Park is a corporate priority and a top ten action for the Leyland My Neighbourhood plan.

The Council wishes to develop the role and function of Worden Park as South Ribble's number one visitor attraction, attracting as it does in excess of 1/4 million visits per annum. In addition it seeks to maximise the use and enjoyment for visitors by improving the amenities in the Park. It is an ambition to build on the existing success and excellence of Worden Park and develop and improve the offer to reflect the changing needs and expectations of local people and visitors.

The Derby wing of Worden Hall currently stands empty which detracts from the Council's aspirations for the Park. Shaw Trust, a national charity, has recently expressed interest in occupying this part of Worden Hall. This report details the proposals arising from this interest.

The proposals in this report cut across all of the Council's corporate priorities.

RECOMMENDATIONS

That Cabinet:-

1. Approves the occupation of the Derby Wing, Worden Park by Shaw Trust.
2. Approves the allocation of £80,000 capital funds to make the improvements required that are described in this report.
3. Approves the virement of £30,000 from the Worden Park Energy Improvement Capital budget
4. Give authority to incur the necessary capital expenditures, following tender procedure.
5. The Director of Neighbourhood Services be authorised to finalise details on the scheme going forward.

DETAILS AND REASONING

Background and Current Position

The Derby wing of Worden Hall currently stands empty.

A suitable use for the Derby Wing is a priority which would help to reduce costs. During the past two years several options have been investigated to see if and how the buildings could be utilised:

1. Contacting known organisations
2. 'Soft market testing' – contacting agents to see if they or their clients are interested
3. Investigating internal ideas generated from SRBC staff leads
4. Engaging with members of the Leyland Board

While several leads have been generated and followed over the past two years, nothing of value has come to fruition. However, very recently Shaw Trust has shown interest in occupying the Derby Wing of the Hall.

Worden Park is currently subject to a review by Scrutiny Committee. The vacant standing of the Derby Wing and its occupation by a suitable tenant is one of the main issues that the review has identified.

Shaw Trust

Shaw Trust is a national charity which supports disabled and disadvantaged people to prepare for work, find jobs and live more independently. Every year they work with over 75,000 clients who face barriers due to disability, ill health or social circumstance. Thousands of employers and public sector organisations also benefit from their range of services for business. Shaw Trust is the UK's largest third sector provider and one of the Government's lead partners in the delivery of employment programmes for disabled and disadvantaged people.

Shaw Trust currently occupies the building next to the Civic Centre. Shaw Trust must vacate that building in late 2012 and are looking for a new base.

Proposed Arrangements with Shaw Trust

Ideally the Council wants to improve the amenity of Worden Park.

It is proposed Shaw Trust occupy the Derby Wing and provide more amenity by opening to the public to offer community arts (painting, drawing, pottery, music) and crafts including woodwork and joinery. This appears to be an acceptable use which improves the amenity and fits with the general offer from the Park.

The Council already has a working relationship with Shaw Trust. Shaw Trust works with the Council helping to deliver regeneration projects and arts events. They have contributed to several schemes recently including Leyland town centre, Mill Street Farington and Leyland Festival, as well as manufacturing some items of street furniture for the Council. The current working relationship is very good.

Shaw Trust is keen to become a tenant in the Park and in the longer term would wish to use the Marsden Theatre and Conservatory. This could be beneficial given the difficulties of the Council managing this facility remotely on a day-to-day basis.

The terms of occupation provisionally agreed with the Shaw Trust include the Lower Brew house (one of the Craft units) which will become available for letting at the beginning of the year. The rent proposed is discounted to reflect the investment by the Trust in improvements to the building but is otherwise based on commercial levels of value and rents charged for the Craft Units.

Shaw Trust will also invest and improve the Derby Wing for its occupation, which brings betterment to the Council's assets. In addition Shaw Trust will operate a public facing service which will bring new facilities and services to visitors of the Park as well as providing a presence on the Park each working day. The emphasis is really on the additional value which Shaw Trust would need to provide to the Council in terms of Service. Shaw Trust will provide a community resource and Arts Function. We will require Shaw Trust to work in partnership with the Council to provide community arts and events, such as classes, children's activities, support for events such as Leyland Festival, Chinese New Year and Christmas events. . It is difficult to put a value on these activities, but for this exercise they are estimated at £20,000 p.a. based on equivalent cost of council officers undertaking these tasks.

Provision of these community arts and craft services would be part of the lease arrangements to be monitored by the Council.

The Short Term Plan

Shaw Trust has looked at Worden and is very interested in occupying the Derby Wing. They have already secured funding for one year, which would allow them to move into Worden, solving their short term accommodation issue. They plan to bid for funding to allow them to stay in Worden for the long term.

The draft heads of terms includes some conditionality between the parties. This is to protect the Council's position and to also encourage commitment to a longer term period. A break clause has been agreed which can be triggered on the first anniversary of the lease allowing time for the initial improvements. This results in a three year lease to occupy, with a break clause at one year, with the conditions that Shaw Trust improves the accommodation at Worden according to the schedule described.

Shaw Trust is prepared to pay for the internal improvements (security, decoration, electrical, ventilation/extraction, telephone and networking). These improvements are estimated to cost Shaw Trust at least £30,000 and result in betterment of Council assets.

Shaw Trust has also outlined its commitment to a longer term arrangement in a letter to the Council outlining the charity's funding plans and ambitions for Worden Hall and the Park. It is a sign of commitment from Shaw Trust that it is prepared to invest at least £30,000 in the buildings during this first year, which demonstrates that it has a certain amount of confidence for a longer term arrangement.

To make the Derby Wing suitable for occupancy, the Council needs to make reciprocal external improvements which are :

Table one

Improvements required for occupancy	Estimated cost	Source of funding
Access which is Disability Discrimination Act (DDA) compliant.	£1,000	Already budgeted for by Neighbourhood Services in current capital programme 2012/13
Safe footpaths around the exterior of the buildings and to/from hall car park and Walled Garden	£29,000	
External lighting including car park	£2,500	Costs can be met from existing Asset Management operational programme 2012/13
Signing including car park signing	£1,200	
External painting and repairs	£1,500	
Certifications e.g. electrical, fixed wire, asbestos, EPC	Already complete and held by Council	Not required

- Existing electrical supplies are sufficient for the proposed use of the Derby Wing and the Brew house and the other uses in the Park.

It can be seen that the list of external improvements is broadly in line with our current plans – it was already planned to improve access and footpaths around the courtyard area and capital budgets of £50,000 have previously been programmed for this work. Some of the footpaths require essential maintenance and this was already planned for prior to Shaw Trust's interest.

However, the Council had plans to surface the courtyard areas around Worden Hall during 2013 due to their dangerously deteriorating condition giving rise to safety concerns. Given the opportunity of Shaw Trust occupying The Derby Wing and the need to make improvements in the courtyard, it is suggested that for economies these two pieces of work are put together. The additional capital cost of the extended scheme is £30,000. To fund these works, £30,000 would be required to be vired from the existing Worden Park energy improvement budget.

The detail is set out below

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| a) Estimated cost of footpaths & lighting (required for Shaw Trust occupation) | £30,000 |
| b) Estimated cost of courtyard resurfacing (if carried out simultaneously) | £50,000 |

Item a) is required for Shaw Trust and is the reciprocal to Shaw Trust making £30,000 of internal improvements to The Derby Wing. Item b) is the suggestion of Officers from Regeneration and Neighbourhood Services to make the courtyards safe and more useful for events such as markets and fetes.

The Longer Term Plan

Shaw Trust wants to occupy the Derby Wing for as long as possible but to date they have secured funds for the first year of operation only. They are currently bidding for funding for the longer term. They have an excellent record of winning bids having secured millions of pounds from lottery funds over recent years.

Should Shaw Trust secure funding for a longer term arrangement, their initial estimates suggest that it will invest at least a further £40,000 into improving the Worden Hall buildings through the addition of a lift, covered walkways between buildings and accessibility improvements. The list of Shaw Trust's proposed improvement schedule is attached in Appendix B.

Timings

Shaw Trust wishes to begin occupation of the Derby Wing in mid-November to begin their internal improvements. The external works described previously cannot be completed by the Council in this timescale but Shaw Trust is fully aware of this position.

Wider implications and Benefits

Any improvements will be planned to take the long term requirements of the Park and Worden Hall into account.

Full use of the main buildings would be a huge step forward for the Park and the Council. It should bring more foot traffic to the central areas. The occupation of a vacant building, which costs the Council a considerable amount, Also, partnership working with Shaw Trust opens up new funding possibilities which could benefit the offer from Worden Park.

Financial aspects of Shaw Trust's Occupation of the Derby Wing

1. Vacant buildings and under used space costs the Council. If Shaw Trust occupies the Derby Wing, it will save the Council an estimated £12,500 p.a. Additional value is also derived from Shaw Trust providing community orientated uses and improved amenity which enhances the Park's offer.
2. The Council will also receive regular rental income from Shaw Trust which is in negotiation.
3. Betterment of Council buildings – In the first year alone, Shaw Trust will improve the buildings to an estimated value of at least £30,000. This is an estimate of costs prepared by the Shaw Trust Quantity Surveyor for their works described in Appendix B. If the Trust then triggers the break clause the Council will take back the building in a better condition for subsequent letting.
4. Worden Hall is a listed building but planning permissions are not required for these initial works in year one. Listed Building consent is likely to be required if an extractor is fitted for the proposed woodworking operation. Shaw Trust are aware of this and will work with the Council to ensure they comply with all necessary permissions.

- Estimated costs of related external improvements by the Council to make the Derby Wing suitable for occupancy is listed previously in table 1. These improvements were already planned and would largely have been made out of necessity, even if Shaw Trust was not to occupy. However if the improvements to the footpaths are done at the same time as improvements to the adjoining courtyards the forecast additional budget required is £30,000 which can be met from existing budgets on Worden Park if funds are vired from Worden Park energy improvement budget.

The case for Shaw Trust occupying Worden is strong. In future years the Council should realise the benefits of points 1-5 but not incur the one-off costs of improvements. The Council will also retain a more valuable asset with both the buildings and the Park benefiting from infrastructure investment. However it should be borne in mind that the Council remains responsible for external maintenance.

There is also a minor benefit in that Shaw Trust has offered to maintain gardens around the main building, such as the Sensory Garden.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

<p>FINANCIAL</p>	<p>The forecast budget implication of this proposal is a saving of approximately £12,500 in operational costs in a full year and additional income of approximately £14,500p.a. This represents a total benefit of £26,500 in a full year, of which approximately £10,000 would be achieved in 2012/13.</p> <p>Future year's budget savings would depend on whether the arrangement continues.</p> <p>There is a budget of £50,000 in the capital programme for the current year for improvements to access and footpaths around the courtyard area. The footpath and access works the Council is required to undertake to make the Derby Wing suitable for occupancy are estimated to cost £30,000. The estimated cost of a combined scheme including the resurfacing of the courtyard areas is £80,000. The additional cost can be funded from virement from Worden Park energy improvement budget.</p>
<p>LEGAL</p>	<p>A formal lease will be drawn up by the Council's Legal Services team that will protect the Council's position.</p> <p>Legal Services are aware that there are no covenants affecting Worden Park that would prevent the proposed use by Shaw Trust.</p> <p>Prior to the commencement of works the Council and Shaw Trust will need to ensure that all necessary permissions (including potentially Listed Building Consent and Building Regulation approval) are obtained.</p> <p>In terms of the proposed capital expenditure then an appropriate tender exercise will be carried out prior to the award of any contract.</p>

RISK	<p>The full risk assessment forms part of the background papers to this report. The main points for consideration are summarised here:-</p> <ul style="list-style-type: none"> - Failure to occupy results in on-going costs for the Council and deterioration to the buildings. - Public safety, slip and trip hazards could exist due to the deterioration of surfacing of the footpaths and courtyards of Worden Hall. - Separation of external improvement works into two phases could result in more cost to the Council in the longer term and more inconvenience to the public.
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THE IMPACT ON EQUALITY	<p>The proposal has a positive impact on equality. Shaw Trust is a national charity which supports disabled and disadvantaged people to prepare for work, find jobs and live more independently.</p>
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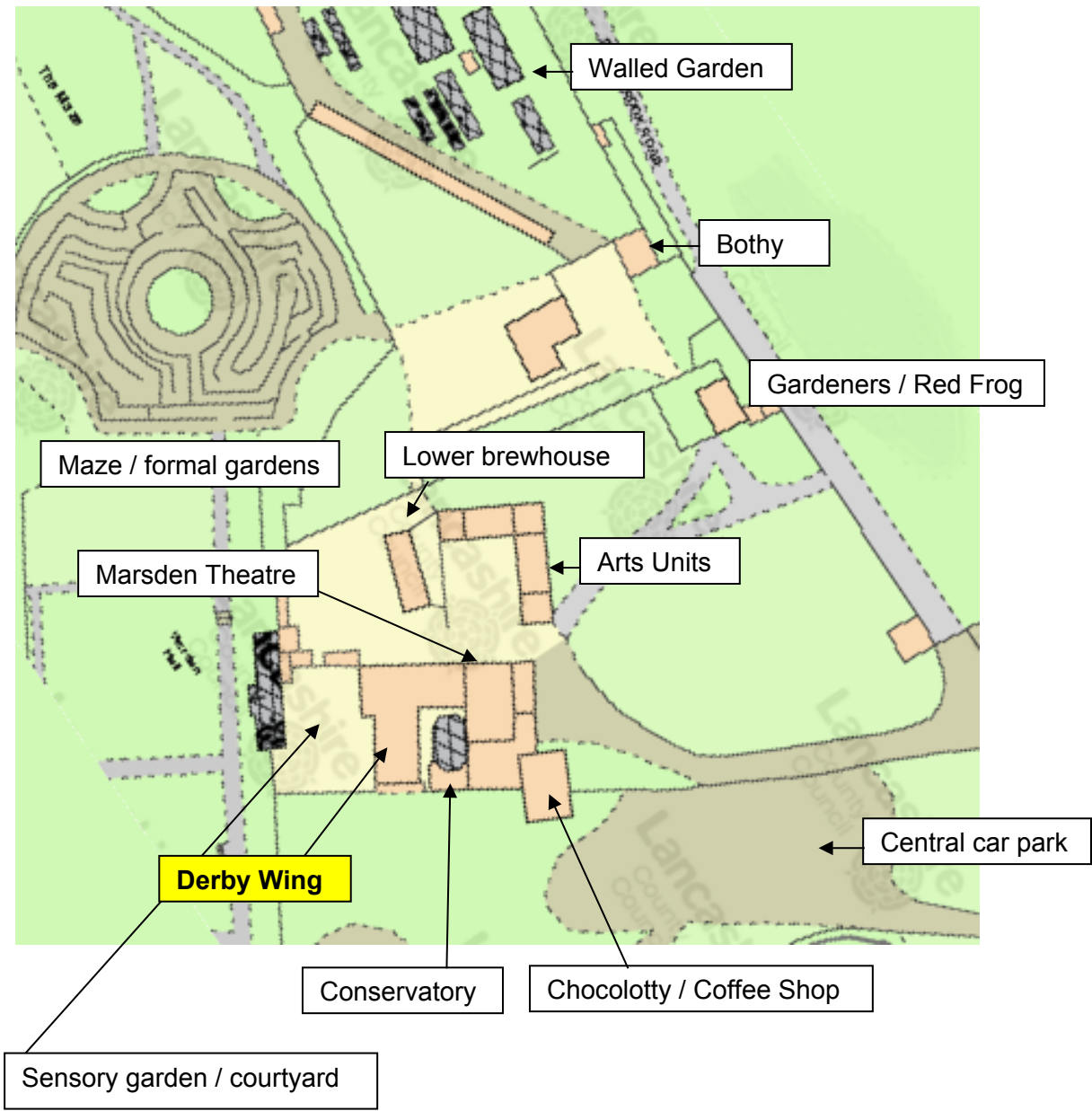
OTHER (see below)	<p>Asset Management</p> <p>The proposal is consistent with the Council's adopted Asset Management Plan which seeks to maximise net benefit to the Council from the use of its property assets.</p>
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<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

Risk Assessment

Appendix A – Plan of Worden Park Central Area



Appendix B

The following list is Shaw Trusts schedule of improvements. It is subdivided into Phase 1 (works to be completed for first year) and Phase 2 (works which could be completed if the lease is extended past first year)

Shaw Trust Improvement Schedule & suggested phasing (P1 or P2)

	<u>Estimated Cost</u>	<u>Phase</u>
Removal of raised floor area in upper floor room	1K	P1
Levelling of floor in upper rooms	2K	P1
Introduction of computer network inc. phones etc	5K	P1
Separation of security to use as tenants	5K	P1
General decoration of all areas	12K	P1
Extraction for wood work machines	8K	P1
Access improvements	4K	P2
Covered walkway between Conservatory and Derby Wing	5K	P2
Lift to upper floor	15K	P2
Wheelchair stair lift between rooms on upper floor	5K	P2
Contingency of 15%	9.3K	
	Total	71.3K