

REPORT TO	ON
Scrutiny Committee	7 November 2019



TITLE	REPORT OF
Worden Hall update	Assistant Director of Planning and Property

Is this report confidential?	No
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PURPOSE OF THE REPORT

1. To update Scrutiny Committee on the outcome of the public consultation exercise and the Cabinet Meeting recommendation from 16th October 2019 Cabinet Meeting which considered investment options to bring Worden Hall back into use.

RECOMMENDATIONS

2. That Scrutiny Committee note the consultation process which has been undertaken, feedback from Cabinet and next steps in bringing Worden Hall back into use.

CORPORATE PRIORITIES

3. The report relates to the following corporate priorities: *(tick all those applicable):*

Excellence, Investment and Financial Sustainability	<input checked="" type="checkbox"/>
Health, Wellbeing and Safety	<input type="checkbox"/>
Place, Homes and Environment	<input checked="" type="checkbox"/>

Projects relating to People in the Corporate Plan:

Our People and Communities	<input type="checkbox"/>
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BACKGROUND TO THE REPORT

4. In June 2018 the Council appointed architectural consultant Purcell and financial consultants Amion to undertake a feasibility study and options appraisal into the potential future uses of Worden Hall. The consultant's report reviews a number of options and the revenue and capital implications of each. The report modelled in detail three options which formed the basis of the consultation exercise. The options were that the Hall be used for either:

- Community Use;
 - Small Wedding Venue/Events;
 - Large Weddings/Events.
5. However, following discussions with the previous administration a market disposal exercise was carried out in January 2019 which sought bids from interested parties to enter into discussions and negotiations with the Council with a view to the Council disposing of its interest in Worden Hall to a third party.
 6. The market disposal exercise was aimed at businesses who would be interested in acquiring the Hall and did not involve any public consultation or engagement. Furthermore, the market disposal exercise was not based upon the Purcell and Amion report recommendations.
 7. At the Cabinet Meeting on 20 March 2019, it was recommended by Cabinet that officers should enter into discussions with bidder A (latterly confirmed as Leyland Masonic Properties) to take forward their investment proposals for Worden Hall with further update reports to be provided to Cabinet for consideration.
 8. Following the local elections in May 2019 discussions with Leyland Masonic Properties were placed on hold pending the formation of the new administration.
 9. At the Cabinet Meeting on 19 June 2019 the Cabinet approved a full public consultation exercise in order to identify the most appropriate investment option for Worden Hall.
 10. The consultation was launched by the Cabinet Member for Finance, Property and Assets through a press briefing at Worden Hall on Tuesday 13 August 2019.
 11. The consultation exercise was extensive, running from 19 August to 13 September 2019 and resulted in over 500 responses to the consultation survey. Feedback was received online, through telephone contact and across four drop-in sessions which were run at Worden Hall between 2.00pm and 7.00pm each Thursday during this period in order to enable the public to discuss the options directly with SRBC staff. On the 5 and 12 September Architectural consultants Purcel, who drafted the initial options appraisal report were also in attendance to deal with any questions or queries.
 12. The survey provided a description of each of the three options and the associated costs. Respondents were given the opportunity to make comments in relation to each option and finally were asked to rank each option in order of preference with 1 as most preferred and 3 as least preferred.
 13. A wide range of comments were received as part of the feedback process but some key themes did emerge including high levels of support for the hall to be accessible to the public, using Worden Hall for events and weddings, a desire for the Hall to be brought back into use and a requirement for the Hall to be financially viable. Furthermore, there was a significant amount of feedback in support of retaining the Folly Café and there was some concern expressed regarding car parking and the impact of increased traffic to the Hall regardless of which option was chosen.
 14. In terms of voting preferences the statistical feedback from survey feedback clearly identified Option 1 - Community Use as the most popular choice by some margin.

15. However, respondents were able to add comments to their feedback and when these were examined in greater detail it appeared that whilst a significant number of respondents stated that their first choice was for Option 1- Community Use a significant number of respondents stated in their feedback that they also wanted Worden Hall to be used for small weddings and events. Therefore the feedback was much more nuanced, subtle and complex than the statistical recording of preferences and it is important that the information be considered in the round. It is worth noting that not all questions were mandatory and some respondents answered all the questions and many others did not. When examining the qualitative as well as quantitative feedback it is evident that respondents valued the Community use of and access to the Hall but also wanted to see it used for events and weddings. It is worth noting that Option 1 and Option 2 are not mutually exclusive and a number of respondents suggested developing a hybrid model combining the best elements of both options
16. At the Cabinet Meeting on Wednesday 16th October 2019 it was agreed by Cabinet that further detailed modelling and appraisal of Option 1 (Community Use) and Option 2 (small weddings/events venue) be undertaken with a finalised recommendation and implementation plan being reported back to Cabinet in January 2020.
17. In order to take this work forward an officer working group has been established comprising representation from estates, neighbourhoods, finance, legal, community involvement and planning teams. A bespoke workshop has been arranged for Monday 11th November 2019 at which the working group shall review plans and options for developing a viable and robust business case for an enhanced Option 1 which comprises Community Use but also small wedding and events. The working group shall be assisted by Purcell and Amion who shall develop a schedule of accommodation, provide 3d visuals that explore the spatial impact of an enhanced option 1, update the business case and the projected EBITDA (Earnings, Before, Interest, Tax, Depreciation and Amortisation), review the draft programme of events and develop the implementation plan.
18. A further two project team meetings have been arranged with the aim of providing a fully costed viable and deliverable business plan for an enhanced Option 1 to be considered by Cabinet on 22 January 2020.

PROPOSALS (e.g. RATIONALE, DETAIL, FINANCIAL, PROCUREMENT)

19. Please note above report and recommendations and the approach being taken to bring Worden Hall back into use.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

20. An extensive consultation exercise has been carried out which resulted in high levels of involvement and engagement from the public. As noted above, the detailed comments contained within the feedback did not always fully align with the preferences as expressed within the questionnaire so it is important to consider both the detailed feedback as well as the preferences in order to obtain a more rounded and clearer understanding of what is most important to the public. There are no plans to undertake further consultation at this stage.

FINANCIAL IMPLICATIONS

21. For Option 1 Community Use - the Purcell and Amion Report estimated capital investment costs of £1,300,000 in order to deliver the necessary refurbishments, demolition of the foyer and conservatory and landscaping costs whilst for Option 2 – Small Weddings and Events - the Purcell and Amion Report estimated capital investment costs of £2,100,000 in order to deliver the necessary refurbishments, demolition of the foyer and conservatory and extensive landscaping costs including improvements to car parking.
22. The financial model used within the report estimated an annual income for Option 1 of £62,000 set against costs of £77,000 which would result in an annual deficit of £15,000 whilst for option 2 the model assumes an annual income of £360,000 set against annual costs of £400,000 which would result in an annual deficit of £40,000. It is important to state that these figures are notional and that the model was based upon a number of assumptions and sensitivities including the number of functions expected to be held each year, potential staffing costs, room hire and occupancy rates.
23. Feedback from the consultation exercise has clearly stated that the preferred investment option must be financially viable and able to return a profit without the need for subsidy from the Council to cover any deficits.
24. The working group shall review the assumptions, sensitivities and costing used in the original financial model to identify economies and efficiencies which shall lead to the option being financially viable and profitable.

LEGAL IMPLICATIONS

25. The legal implications of the finalisation recommendation and implementation plan shall be covered in the report to cabinet in January 2020.

AIR QUALITY IMPLICATIONS

26. There are no air quality implications relating to this report.

COMMENTS OF THE STATUTORY FINANCE OFFICER

27. Worden Park is a key priority in the corporate plan. Any partnership investment will seek to enhance the facility whilst reducing the overall net cost.

COMMENTS OF THE MONITORING OFFICER

28. At this stage there are no issues of substance to raise from a Monitoring Officer perspective. The Options as yet still need to be finalised. Hence there are no legal implications arising at this point.

OTHER IMPLICATIONS:

<p>▶ Property & Asset Management</p> <p>▶ Risk</p>	<p>The investment options for Worden Hall shall provide for much needed capital and revenue investment in order to bring this highly valued asset back into use.</p> <p>The finalised proposals shall be subject to a full risk assessment.</p>
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BACKGROUND DOCUMENTS

Please refer to previous Scrutiny Committee Reports relating to Worden Hall and note the Worden Hall Reports to cabinet dated 20th March 2019, 19th June 2019 and 16th October 2019.

LT Member's Name Peter McHugh

Job Title: Assistant Director for Property and Housing

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