

REPORT TO	ON
CABINET	19 June 2019



TITLE	PORTFOLIO	REPORT OF
Worden Hall Report update	Finance, Property and Assets	Assistant Director Property and Housing

Is this report a KEY DECISION (i.e. more than £100,000 or impacting on more than 2 Borough wards?)	No
Is this report on the Statutory Cabinet Forward Plan?	Yes
Is the request outside the policy and budgetary framework and therefore subject to confirmation at full Council?	No
Is this report confidential?	No

PURPOSE OF THE REPORT

1. To update Cabinet on progress with securing a partner to work with the Council to develop plans to bring the Main Hall in Worden Park back into use.

PORTFOLIO RECOMMENDATIONS

2. That the Cabinet agree to review the procurement strategy for investment into the Main Hall in Worden Park and that officers report back their recommendations to Cabinet in September 2019.

REASONS FOR THE DECISION

3. Following the Cabinet Meeting on 20th March officers were provided with delegated authority to enter into discussions and negotiations with Bidder A (Leyland Masonic Properties - LMP) to consider further and take forward their investment proposals for Worden Hall and provide further update reports to Cabinet for consideration.
4. Since the Cabinet meeting two meetings have taken place with LMP to understand their investment plans and their requirements from the Council. An officer team consisting of the Assistant Director for Property and Housing, both Deputy Chief Executives, estates surveyor, senior legal executive, landscape officer and technical administration assistant have been liaising with Representatives of LMP and their commercial advisors.
5. Feedback from LMH have indicated that they would be willing to invest in Worden Hall in order to provide them with a meeting place as a result of the imminent disposal of their present meeting place.

6. Whilst LMP have stated that they are willing to invest in the Hall and take on a long term repairing lease there are a number of important points that still require further information, clarification and agreement and therefore it is not possible at this stage to finalise the proposals or to make a recommendation to Cabinet based upon the information and evidence available to officers at this time.
7. It is worth noting that the Council only received one credible bid following the advertising of the disposal opportunity and that the finalised feasibility study report from Purcell and Amion had not been received and shared with the Cabinet prior to the disposal opportunity being advertised.
8. It is important for the Cabinet to consider the recommendations arising from the Purcell and Amion report prior to finalising its investment strategy for Worden Hall.
9. It is important that the Council develops viable plans to optimise the use of Worden Hall and reduce the ongoing liability and risk that the Council is exposed to.

EXECUTIVE SUMMARY

10. Not Applicable

CORPORATE PRIORITIES

11. The report relates to the following corporate priorities:

Excellence and Financial Sustainability	√
Health and Wellbeing	
Place	√

Projects relating to People in the Corporate Plan:

People	
--------	--

BACKGROUND TO THE REPORT

12. On the 28th January 2019 the Council advertised the above investment opportunity for Worden Park. An advert was placed on the Council's website, the opportunity was advertised on Linked In and a briefing was provided to a host of media outlets which resulted in the investment opportunity being highlighted by the Lancashire Post, Leyland Guardian and house and heritage website.
13. The Council received 6 initial enquiries regarding the investment opportunity however only two expressions of interest were received from Leyland Masonic Properties Ltd and one other organisation.
14. Following an assessment of the proposals by a multi- disciplinary team of officers it was unanimously agreed that LMP was the only viable proposal that was received.

15. LMP they have confirmed that a wide range of community groups and statutory organisations presently use their existing building and that they would expect the majority of users to follow them in using Worden Hall should they acquire the property.

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

16. Please note the above report and recommendation.

CONSULTATION CARRIED OUT AND OUTCOME OF CONSULTATION

17. A consultation exercise has not been carried out at this stage. Should members be minded to dispose of the Hall then a Disposal of Open Public Space procedure would need to be followed. Once detailed proposals have been developed the requirements and options for public consultation and engagement shall be reported to members.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

18. The Council could choose not to develop the Main Hall. This is not recommended as the Hall has the potential, with investment, to become an attractive asset which is highly valued by the community.
19. The market investment opportunity has demonstrated that there is limited although credible interest from a potential partner to invest in Worden Hall. The Council could choose to undertake a more expansive marketing and promotional marketing campaign however there is a risk that if it did so then a better potential partner may not be identified.
20. The Council could choose to develop the Main Hall itself. A stock condition survey has estimated the cost of works to make the building fit for occupation would be at least £172,000.00 plus VAT. The report undertaken by Cushman Wakefield in 2016 identified urgent works costing in the region of £130,000.00 plus VAT were required to make the Hall watertight and weathertight however the report identified further funding requirements of £42,000 plus VAT for damp proofing, plastering and other repair works. Given that the survey was undertaken 3 years ago and little investment has been undertaken since that time it is likely that the actual costs of bringing the property up to a suitable standard will be higher than those indicated in the Cushman and Wakefield Report.
21. Presently the Council has funding of £150,000.00 allocated to repair and maintain the Hall. If the Council were to invest all of the £150,000.00 into the Hall it would still be insufficient to cover the costs of bringing the Hall up to an acceptable standard. Prior to investing significant resources into the main Hall it is important for the Council to develop a clear investment strategy which seeks to optimise value for money whilst balancing the wishes of the local community regarding the Hall.

FINANCIAL IMPLICATIONS

22. This report updates Members on plans for Worden Hall. The aim being to reduce the overall net cost of the combined hall & park. There are no direct financial implications arising from this report and details of the revised plans for investment into the Hall and discussions with partners shall be reported back to cabinet.

LEGAL IMPLICATIONS

23. An appraisal of the legal implications arising from the procurement review shall be reported back to cabinet in September 2019.

AIR QUALITY IMPLICATIONS

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

HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT IMPLICATIONS

25. Not applicable.

ICT/TECHNOLOGY IMPLICATIONS

26. Not applicable.

PROPERTY AND ASSET MANAGEMENT IMPLICATIONS

27. Please note comments above

RISK MANAGEMENT

28. The risks associated with the discussions at this stage are not considered to be high. The Council has not entered into any formal legal agreement with LMP and risk associated with potential procurement options shall be reported back to cabinet.

EQUALITY AND DIVERSITY IMPACT

29. Not applicable.

RELEVANT DIRECTORS RECOMMENDATIONS

30. It is recommended that cabinet agree to a review of the procurement strategy for investment options for the Main Hall at Worden Park and that an updated report be provided to cabinet in September 2019.

COMMENTS OF THE STATUTORY FINANCE OFFICER

31. 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

32. At this stage no formal contract has been entered into. Hence legally it is open for Cabinet to decide on a different way forward to what has so far been envisaged. Cabinet will no doubt give careful consideration to the risk that a better offer may not come forward to what is proposed.

BACKGROUND DOCUMENTS

33. Note the Cabinet Report dated 20th March 2019 relating to Worden Hall

APPENDICES

34. Not applicable

LT Member's Name: Peter McHugh
Job Title: Assistant Director for Property & Housing

Report Author:	Telephone:	Date:
Peter McHugh	01772 625228	10/06/2019