

| Bath & North East Somerset Council | | |
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| MEETING: | Cabinet | |
| MEETING DATE: | 14 November 2012 | EXECUTIVE FORWARD PLAN REFERENCE: |
| | | E 2458 |
| TITLE: | Options for the Future Use of Victoria Hall, Radstock | |
| WARD: | Radstock | |
| AN OPEN PUBLIC ITEM | | |
| List of attachments to this report: | | |

1 THE ISSUE

- 1.1 At its meeting of 11 July Cabinet received a report on the outcomes of the consultation process in respect of Victoria Hall and its potential future uses. This report examines the scope for bringing the building back into use as a community facility with meeting rooms, exhibition space and relocation of the town library into the building.

2 RECOMMENDATION

The Cabinet agrees:

- 2.1 To note the outcomes of the feasibility study
- 2.2 Work is progressed on determining the viability of implementing a scheme for the relocation of the library, creation of community facilities with meeting room and exhibition space; accessed by a new lift.
- 2.3 To authorise Chief Property Officer to finalise the preferred scheme for the development of Victoria Hall in consultation with Cabinet Member for Community Resources and Cabinet Member for Neighbourhoods and subject to:
- A business plan being completed for the facility, which includes the library relocation, and which will be subject to the approval of the Section 151 Officer
 - The sources of additional revenue liability resulting from any additional running costs being identified. Any additional revenue costs will represent a funding pressure for 2013/14 and prudent provision is being included in the Resources MTRSP
 - Sources of external capital funding, including local grants, being fully explored

- 2.4 To authorise the Chief Property Officer to dispose of the existing library.
- 2.5 To authorise the Chief Property Officer to maximise the financial returns from the caretaker's house to facilitate the development of Victoria Hall.
- 2.6 Subject to the above, to use £160,000 from the Radstock Regeneration Budget and a maximum of £715,000 from the Capital Contingency, to facilitate the development; further subject to the Capital Contingency being replenished to an appropriate level as part of the 2013/2014 Budget

3 FINANCIAL IMPLICATIONS

- 3.1 Estimates for the repair of the building previously have been made on the basis of repair of existing installations and upgrade to improve facilities to allow public use. On this basis an estimate in the region of £250,000 had previously been applied to address such issues.
- 3.2 However, since the building has been subject to further extensive surveys, part of which resulted in the entire electrical installation being condemned, it is clear this option is no longer viable for the building. Repair of the existing systems will allow the building to operate only at minimal levels with strong likelihood of failure and, therefore, a limited future life expectancy, without ongoing and substantial costs.
- 3.3 A feasibility study has been undertaken and various options considered to make the building fit for purpose to different specifications. The budget costs for the various options are set out in the body of the report.
- 3.4 The preferred option, as set out in the feasibility outcomes at 5.2, gives rise to a capital position as set out below. These costs will be subject to further refinement and challenge as the scheme is developed.

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| Capital Costs: | |
| Refurbishment of Hall. | £ 725,000 |
| Library Relocation Costs (including necessary upgrades to e.g. lighting and air management systems.) | £ 150,000 |
| Total | £ 875,000 |
| | |
| Capital Funding: | |
| Radstock Regeneration Fund | (£160,000) |
| Sale Proceeds - Library | (£125,000) |

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|-----------------------------|-------------------|
| Sale Proceeds - House | (£95,000) |
| Total | (£380,000) |
| | |
| Net Additional Costs | £495,000 |

- 3.5 Initially £715,000 will be financed by Capital Contingency and, in the longer term, this will be netted off by the capital receipts. It may be further reduced if other funds are identified.
- 3.6 The use of the Capital Contingency for this purpose will reduce it to a very low level. It can be approved, however, on the basis that the Capital Contingency will be replenished to an appropriate level as part of the 2013/2014 Budget.
- 3.7 The likely annual costs of running these premises can be summarised as:

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| Revenue Costs | |
| Business Rates | £ 4,000 |
| Utilities | £ 8,000 |
| Repairs and Maintenance | £ 6,000 |
| Caretaking/ on-site administrator | £ 28,000 |
| Total | £ 46,000 |
| | |
| Sources of Revenue Funding | |
| Transfer of Library running costs | (£16,900) |
| Existing levels of income | (£5,000) |
| Total | (£21,900) |
| | |
| Revenue Shortfall | £24,000 |

There is, therefore, a revenue gap of circa £24,000 which will need to be addressed through examination of potential further sources of income and alternative premises supervision, or will become a budget pressure.

4 CORPORATE OBJECTIVES

- 4.1 Creating neighbourhoods where people are proud to live – The building has the potential to provide a sustainable focus to the town centre, to the benefit of the local community. This proposal helps local people make positive changes within their own communities. In line with the Localism Agenda the Council is keen to help local groups get involved and support them to make improvements within their local neighbourhoods and communities.

5 THE REPORT

5.1 At its meeting of 11 July the cabinet resolved:

(3) To ASK the Divisional Director (Property) to undertake more detailed assessments on the feasibility of adapting Victoria Hall to make it suitable for a mixed community, meeting and exhibition space; which would also offer ongoing snooker facilities. Also to examine the scope for, and benefits of, locating the library in to the building;

(4) To AGREE that as part of this process, consideration will be given to the benefits of retaining the caretaker's house as part of the facility or investigate the potential for its disposal to deliver wider community benefits; and

(5) To ASK the Divisional Director (Property) to make a further report to Cabinet in September to provide detailed information on the options including ongoing revenue implications.

5.2 Feasibility Outcomes

5.3 Various options to bring this building back into use have been investigated. The detailed work this required meant that it was not possible to report back to the September Cabinet.

5.4 The preferred option that emerged locates the library on the ground floor, on a model similar to the new library facility at Paulton, retains and upgrades the community facilities on the first floor with shared facilities at ground floor and provides for lift access. It does not retain snooker use.

5.5 This scheme would see the complete replacement of the electrical system, provision of modern gas-fired zoned heating to replace the ageing, uneconomical oil-fired boilers and installation of air management systems appropriate for the new uses of the building. This should future-proof the building.

5.6 In summary, the building could provide for:

Ground floor: Library with community coffee shop
 Associated office and staff facilities
 WC's including disabled and out-of-hours public facility.

First floor: Function hall/community space
 Kitchen
 Meeting/changing Room

House: To be released, subject to further detailed feasibility work.

- 5.7 A capital summary is provided at 3.4 above. The capital costs for undertaking this conversion are estimated at £875,000. Necessarily at this stage, these costs are broad estimates and will be refined and challenged as the project, understanding of uses and the resulting building specification, is developed in greater detail.
- 5.8 Further detailed discussions are required with Library Services to determine its requirements in respect of a potential relocation, but the new hub at Paulton, combining library with community café, is seen as providing a good model for this facility.
- 5.9 Potential sources for the funding include the Radstock Regeneration Fund provisionally approved by Council in February 2012, and the Council's Capital Contingency fund. Further local sources of funding will be investigated.
- 5.10 The current library building and site would be released for sale as a potential redevelopment site. This could provide a potential capital receipt of circa £125,000, subject to a planning consent for alternative use, to offset capital costs of Victoria Hall works.
- 5.11 If the caretaker's house is made available for sale, it is estimated that a sum in the order of £95,000 will be available to further offset the capital works.
- 5.12 The revenue position in respect of this option is summarised in the Financial Section at 3.7 above. The estimated revenue costs associated with the facility are £46,000 per year.
- 5.13 Income from the hall was £5,000 in its last year of operation. Once the building has been brought back to good standard, with improved access and a more regimented system for bookings, together with a review of hiring rates, this income source should be improved.
- 5.14 With a new facility in Victoria Hall, the current revenue costs of operating the existing Library can be applied to offset the running costs associated with the Hall. These costs are £16,900.
- 5.15 There is, therefore, a revenue gap of circa £24,000 which will need to be addressed through examination of further potential sources of income
- 5.16 It is recognised that there are several community facilities within the immediate area of the hall and the scope to increase income may be limited. Other facilities nearby have been successful in increasing their income streams through active management – therefore, early involvement of local volunteers to capitalise on this potential is essential.

6 RISK MANAGEMENT

6.1 The report author and Lead Cabinet member have fully reviewed the risk assessment related to the issue and recommendations, in compliance with the Council's decision making risk management guidance. The review is at an early stage and uses that emerge will be subject to risk assessment as they are developed.

7 EQUALITIES

7.1 An EIA has been completed and this will be made available to Cabinet Members.

7.2 The building will be refurbished to current standards that comply with the obligations of the Public Sector Single Equality Duty to ensure the hall is fully accessible and to enable a range of community uses to continue. At this stage no negative impacts have been identified.

8 RATIONALE

8.1 The preferred scheme delivers as far as is practicable the preferred outcomes of the consultation process reported to Cabinet on 11 July. Whilst the steer from the community is clear, the case for a sustainable level of use of the facilities is not yet made and it is, therefore, recommended that a full business case is put in place that will examine the potential levels of revenue from this source. If no other funding sources can be identified this will be an ongoing revenue pressure.

8.2 The incorporation of the library in to the building will result in

- An opportunity to redefine the provision of the Library Service.
- Scope for shared space utilisation.
- Release of the library site for sale.

8.3 Other options for use of this building have been examined and are set out at 9 below. The preferred scheme is seen as delivering maximum community benefit from a building that has inherent limitations in accommodating a wider range of uses within the existing structure. In particular, none of the models for retaining snooker within the building were satisfactory, as they placed unacceptable limitations on other uses.

8.4 By engaging with the community on this project the Council is demonstrating its commitment to listen to the views of local people, facilitate greater community involvement and to put them at the heart of what we do.

9 OTHER OPTIONS CONSIDERED

- 9.1 The proposed strategy has been developed as a result of the public consultation exercise undertaken in May/June 2012 and a direct outcome of this is to return the building to community use rather than its sale. The analysis of the options from the consultation exercise indicated a wish for a broad picture of uses to be established that, coupled with linked developments within the town, point at a use based on community facilities, meeting space and exhibition space. The option to sell the building was not, therefore, progressed as an option by the Cabinet meeting of 11 July.
- 9.2 Alternative proposals for the use of the building as a business hub were also considered by the Cabinet at that meeting. This was not considered as a preferred option as it did not emerge strongly from the public consultation. The Radstock area has a strong concentration on manufacturing and building related industries and the local need in terms of economic development is, therefore, seen as best being delivered through small start-up units to serve this market. Victoria Hall does not lend itself to this use and the kind of business facilities that it might provide are not seen as being on a scale that is sustainable, nor is there a proven market for this type of facility in Radstock.
- 9.3 In line with the outcomes of the consultation exercise and in line with the resolution of July cabinet a number of alternative schemes for the building were investigated and are summarised below
- 9.4 Upgrade of facilities to modern equivalents.

This option would see little change to the structure or use of the building so that snooker and community space are maintained but the library is not relocated to the hall. This would address immediate DDA issues to minimum requirements and, for example, completely rewire the building, provide new boilers to the existing central heating system, and install a lift. Users would see little change to the building but it might be expected to have systems that will be operational for the short to medium term.

Estimates of the costs of this option are £ 580,000.

In this option, the caretaker's house could be surplus to requirements and disposed of separately to reduce the overall cost. The value of the caretaker's house plus garden in its current poor state of repair is estimated to be not more than £95,000.

Reason for rejection.

This is not seen as a viable proposal to deliver a community facility that will have a long term sustainable future. The running costs of this option would continue to be high and flexibility/comfort and use would be compromised. The budget associated with the library would not transfer to assist with running costs.

9.5 Refurbishment of premises to maximise existing use.

In this option the building would be refurbished to a good standard that reduced running costs and gave the building a good long-term lifespan for community use. The library would not be accommodated in this model. It would essentially secure the existing uses and would future-proof the building.

The cost of this option is estimated at £ 725,000.

As above, the caretaker's house could be released to offset costs.

Reason for rejection

Whilst this would facilitate the long term future of the structure of the building and its existing uses it does not provide the benefits that a shared use with the library is seen as bringing. Not least, the revenue position is likely to be difficult without the library budget.

9.6 Scheme to accommodate Library, Community and Snooker.

This scheme sought to accommodate the full range of aspirations expressed in the public consultation exercise of community, library and snooker use. Provision for a lift is made within costings but the location of a lift will be difficult when accommodating all uses on-site.

Ground floor: library
 associated office and staff facilities in the house.
 WC's including disabled

First floor: function hall/community space
 kitchen
 snooker table
 pool table and storage area in house

The capital costs for undertaking this conversion are estimated at £ 1.1 million

The current library building and site could be released for sale either as existing or a potential redevelopment site. This could provide a potential capital receipt of circa £125,000. The caretaker's house forms part of the scheme and, therefore, no contribution to scheme costs would be available from its sale.

Reasons for rejection

The snooker/pool facilities impinged on the area of the main hall and strengthening of upper floors would be required. The alternative being pool/snooker facilities that do not meet needs for circulation space and a loss of meeting/changing facilities.

The attempt to facilitate all uses, therefore, increased costs substantially whilst reducing the functionality, especially of the community use element.

9.7 Each of the options for delivering the community facilities is predicated on the scheme being delivered by the Council.

10 CONSULTATION

10.1 Ward Councillors; Cabinet members; Town Council; Other B&NES Services; Service Users; Local Residents; Community Interest Groups; Youth Council; Stakeholders/Partners; Section 151 Finance Officer; Chief Executive; Monitoring Officer

10.2 Ward Councillors, the local community, businesses, Town Council and Community Interest Groups have had the opportunity to respond to the consultation exercise as described within the July report. Council officers and relevant Members have had the opportunity to comment on the draft of this report and their comments have been incorporated into the body of the report.

11 ISSUES TO CONSIDER IN REACHING THE DECISION

11.1 Social Inclusion; Sustainability; Property; Young People; Other Legal Considerations

12 ADVICE SOUGHT

12.1 The Council's Monitoring Officer (Divisional Director – Legal and Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

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| Contact person | <i>Tom McBain – 01225 477806</i> |
| Sponsoring Cabinet Member | <i>Councillor Bellotti, Cabinet Member Community Resources.</i> |
| Background papers | Cabinet Report – 11 July 2012 |
| Please contact the report author if you need to access this report in an alternative format | |