

Report to:	EXECUTIVE
Relevant Officer:	Steve Thompson Director of Resources
Relevant Cabinet Member	Councillor Mark Smith, Cabinet Member for Regeneration, Enterprise and Economic Development
Date of Meeting	23 January 2017

CITY LEARNING CENTRE SCHEME

1.0 Purpose of the report:

- 1.1 To consider proposals for property alterations to the City Learning Centre (CLC) to change its use to retail in the North West half of the building and the relocation of the existing retail shops from Chepstow Road. Following relocation of the existing retailers, approval for the demolition of the vacated shops located on Chepstow Road, and community building located to the rear.

2.0 Recommendation(s):

- 2.1 To approve the outlined scheme for the redevelopment of the City Learning Centre and to carry out the property alterations to the City Learning Centre to facilitate the change of use to the North West half of the existing building to retail use.
- 2.2 To approve the relocation of the existing retailers from Chepstow Road shops, Grange Park, into the newly formed retail units at the City Learning Centre.
- 2.3 To approve the demolition of vacated retail shops on Chepstow Road and 'Cherwell Centre' community centre to the rear of the existing shops.
- 2.4 To approve the implementation of the 'City Learning Centre Business Plan' attached at Appendix 2a to facilitate the wider community use of the City Learning Centre together with establishment of a Community Farm and Community Shop.
- 2.5 To approve the prudential borrowing of £858,667 over 25 year period to fund the redevelopment of the City Learning Centre outlined in recommendation 2.1 and the demolition listed at 2.3.
- 2.6 Subject to a formal procurement process, to authorise the Director of Resources to enter into contracts for the property alterations to the City Learning Centre and the demolition of properties on Chepstow Road.
- 2.7 That any proceeds from the sale of the Grange Park site up to a maximum of £280,000 are ring fenced against the demolition costs of the scheme.

3.0 Reasons for recommendation(s):

3.1 The relocation of the existing retail shops will facilitate greater footfall and use of the existing City Learning Centre, benefiting the existing Library and Café and the creation of a 'Community Hub' for Grange Park.

3.2 The wider use of the facility will be further facilitated by the establishment of a Community Farm and Community Shop, the former is proposed to be located to the land immediately to the rear of the City Learning Centre and the former is proposed to be formed within the North West wing of the City Learning Centre alongside the newly formed retail shops.

3.3 Following the demolition works at the former Devonshire Junior and Infant School, Christ The King Church, Social Club, Youth Club and Presbytery, approval is sought to demolish the retail shops and Cherwell Centre to clear the site and represent a significant opportunity for re-development of a 4 hectare site immediately behind and adjacent to the City Learning Centre.

3.4 Beyond the benefits to the retailers in being provided with better quality facilities from which to operate, there are many other benefits and opportunities for the residents to Grange Park. These include:

- The development of a shared vision for the site, which supports and develops the resilience of the Grange Park community, builds on local assets and galvanises the multiple Council services currently operating from the building.
- The creation of a local community hub, bringing together a range of opportunities for health, learning, culture, community cohesion and employment.
- The creation of new employment and volunteering opportunities for residents.
- A wider range of cultural, social and learning activities (supporting improved health, employability and community cohesion).
- The creation of a long-term, sustainable business model with a mix of commercial and community-facing activity and facilities, recognising the need to reduce the burden of these facilities/services on the public purse.
- The creation of new governance and better operational arrangements which build local capacity and create increased engagement opportunities.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? No

3.3 Other alternative options to be considered:

3.3.1 Do nothing – however, the opportunity to redevelop the area of land previously occupied by the retail shops and Cherwell Centre will be lost.

3.3.2 If the alterations to the retail facilities go ahead without consideration of the operational risks to the rest of the building, then it could create a range of risks for services and the public and not realise the benefits that the 'Community Hub' would present.

4.0 Council Priority:

4.1 The relevant Council Priority is:

The economy: Maximising growth and opportunity across Blackpool Communities:
Creating stronger communities and increasing resilience

5.0 Background Information

5.1 Following acquisition of the Christ The King Church, Social Club, Youth Club and Presbytery as part of the Building Schools for the Future programme, the buildings have been demolished to save on holding costs and free up the area for a future redevelopment.

5.2 The City Learning Centre is built in two wings around a central hub. One wing currently contains the local library and a number of meeting rooms, whilst the other wing contains more meeting rooms, conference room, offices and an audio-visual studio. The Council's Property Services team has led the development of plans to convert the use of one wing of the City Learning Centre to provide accommodation for the retailers, currently based on Chepstow Road.

5.3 The City Learning Centre operates as training and professional development centre, an ICT hub and Apple Mac training centre.

Services based currently within the building include:

- Adult and Community Learning: office facilities, storage facilities, delivery of adult and community learning classes to the public.
- Cultural Services: delivery of the public library service 29 hours a week over 6 days; including book lending, internet access and support, reader support and development, information on health, learning, employment and community and Council activities, community events, activities for children (such as homework clubs, baby bounce and rhyme and creative activities), Councillor surgeries.
- Corporate Services – provision of audio-visual and ICT facilities within the

building. Meeting rooms hire. These are available at reasonable rates for use by local residents, services and businesses.

- Catering Services – provision of a community café available on week days.

- 5.4 To facilitate and promote healthy living and wider community support, Public Health is leading on the development for a Community Farm adjacent to the site, along with the creation of a Community Shop.
- 5.5 Agreement in principle has been agreed for: One Stop Shop and Grange Pharmacy to relocate to the City Learning Centre. Negotiations are ongoing for the Post office and The Grange Bakery to relocate to a suitable accommodation.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 2a - City Learning Centre Community Business Case

Appendix 2b - CLC Plan as Proposed - 8871-SK12

Appendix 2c - Site Location Plan 5500A3

6.0 Legal considerations:

- 6.1 The land and premises will remain the ownership of the Council.

This project is in line with the Contract procedure Rules. Contract formalities will be completed in accordance with PPC2000 amended 2013.

7.0 Human Resources considerations:

- 7.1 None

8.0 Equalities considerations:

- 8.1 The residents of Park ward on average face significant challenges in terms of both deprivation and health inequalities. The City Learning Centre redevelopment scheme as a whole aims to target those at greatest disadvantage, to provide access to services and opportunities to maximise their health and wellbeing.
- 8.2 To mitigate any risk from shortfall in rent, there will be a coordinating group that considers longer term and ongoing financial sustainability including encouraging further organisations to utilise the centre and accessing external funding for projects that contribute to the funding of the running costs of the centre.

9.0 Financial considerations:

9.1 The capital costs to carry out the property alterations at the CLC and demolition of the existing shops have been estimated as:

9.2 City Learning Centre building alterations - £579,000
Building demolitions - £280,000

9.3 CLC building alterations
Funding will be met by prudentially borrowing over 25 years against the additional rental income from the retail shops and budget savings from reduced premises costs.

9.4 A summary of the income and budget savings are as follows:

CLC - Re-Modelling

	New Model 2017/18	New Model 2018/19	New Model 2019/20
	-	-	-
Property Services Budget	83,025	83,025	83,025
	-	-	-
Additional Budget from BCH	2,000	2,000	2,000
	-	-	-
Contribution From Education	16,000	16,000	16,000
	-	-	-
Adult Education	13,000	13,000	13,000
	-	-	-
Ground Works / Police	17,000	17,000	17,000
	-	-	-
HMRC Room Hire	2,600	2,600	2,600
	-	-	-
Boundary School	4,000	4,000	4,000
	-	-	-
External Room Hire	7,000	7,000	7,000
	-	-	-
Library rent	14,000	14,000	14,000
	-	-	-
Catering Rent	4,000	4,000	4,000
	-	-	-
Shop rent	-	13,950	18,600
	-	-	-
Total Income	162,625	176,575	181,225

Staffing Costs

Salary Costs	30,582	30,582	30,582
1 X Outreach Worker	12,338	12,338	12,338

Premises Costs

Premises Maint - DSO	3,683	3,683	3,683
Premises Maint Priv-Contractors	4,910	4,910	4,910
Fire Precautions	-	-	-
Landscaping	1,535	1,535	1,535
Heating and Ventilation	500	500	500
Alarms	409	409	409
Electricity	15,191	15,191	15,191
Gas	1,404	1,404	1,404
NNDR	13,315	13,315	13,315
Water Charges Metered	4,010	4,010	4,010
Window Cleaning	-	-	-
Waste Collections	963	963	963
Rechg Cleaning DSO	10,000	10,000	10,000
Other Cleaning Works	-	-	-
Premises Insurance	-	-	-

Other Costs

Security Services	3,785	3,785	3,785
ICT Cost	10,000	10,000	10,000
Prudential Borrowing	50,981	50,981	50,981

Total Expenditure	163,606	163,606	163,606
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Net Expenditure	981	12,970	17,620

9.5 The projected income for the retail development and budget savings from reducing operational costs therefore exceeds the anticipated repayment costs of prudential borrowing by £17,620 per year.

9.6 **Building demolitions**
The cost to demolish the existing shops on Chepstow Road and the Cherwell Community centre is estimated at £280,000.

9.7 The costs of demolition will be recovered from a capital receipt from the future sale of the land of the former Hoyle House site, Christ The King Church, Social Club, Youth Club and Presbytery, and will be held in reserve until these sales are completed.

10.0 Risk management considerations:

10.1 There is a potential risk that the income will not be achieved for the rent from the new retail shops and meeting room and office room hire.

10.2 There are existing leases in place for the retail shops to Chepstow Road and the business have been established for many years, hence the risk of the retail shops to be unwilling to move to new accommodation at the City learning Centre is considered low.

10.3 The City Learning Centre has an established market demand for meeting room hire, the meeting room capacity and total number of meeting rooms will be reduced, and hence it is likely the demand will outweigh the capacity. The income estimates have been reduced accordingly hence it is considered that the risk of not achieving the predicted meeting room hire is low.

10.4 To mitigate any risk from shortfall in rent, there will be a co-ordinating group that considers longer term and ongoing financial sustainability including encouraging further organisations to utilise the centre and accessing external funding for projects that contribute to the funding of the running costs of the centre.

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 To date, over 700 people have been consulted with from across Blackpool over the Community Farm. This has clearly identified unprecedented support for the development of the project. More localised within Grange Park there have been many different consultation workshops engaging a wide variety of community members in schools, outside the shops, within Chepstow Garden, door to door knocking as well as several hosted within the City Learning Centre. The consultation has clearly demonstrated widespread support for the farm from within the Grange Park.

13.0 Background papers:

13.1 None

14.0 Key decision information:

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 1/2017

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

15.0 Call-in information:

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE

16.0 Scrutiny Committee Chairman (where appropriate):

Date informed:

Date approved:

17.0 Declarations of interest (if applicable):

17.1

18.0 Executive decision:

18.1

18.2 Date of Decision:

19.0 Reason(s) for decision:

19.1 Date Decision published:

20.0 Executive Members present:

20.1

21.0 Call-in:

21.1

22.0 Notes :

22.1