

## Cabinet Member Key Decision

<b>Notice of:</b>	LEADER OF THE COUNCIL
<b>Decision Number:</b>	PH52/2022
<b>Relevant Officers:</b>	Steve Thompson, Director of Resources Alan Cavill, Director of Communications and Regeneration
<b>Relevant Cabinet Member:</b>	Councillor Mark Smith, Cabinet Member for Business, Enterprise and Job Creation
<b>Date of Decision:</b>	12 August 2022

### DEMOLITION OF OFFICE BUILDINGS AND SURFACE CAR PARK CREATION AT SOUTH KING STREET SITE

#### 1.0 Purpose of the report:

- 1.1 To consider the proposal to demolish the South King Street (SKS) site once remaining services have been re-located and to create a surface car park pending any future re-development of the land.

#### 2.0 Recommendation(s):

- 2.1 To approve the demolition of the surplus office and administrative buildings located on the South King Street site, following moves of the remaining staff to Municipal Buildings and Bickerstaffe House, in line with the original intentions of the Council's office accommodation strategy.
- 2.2 To create a surface car park on the vacant site at South King Street, providing in excess of 150 car parking spaces, which will serve to replace public car parking spaces lost to the redevelopment at Tower Street and temporary closure of part of Central and Topping Street car parks and provide additional town centre parking in proximity to the new conference centre.
- 2.3 To approve Prudential Borrowing of £600,000 to meet the costs of the demolition in 2.1 and the creation of a new surface car park at 2.2 on the terms outlined at Appendix B to be repaid by the additional car parking income.

### **3.0 Reasons for recommendation(s):**

- 3.1 The Council's office accommodation strategy has identified the South King Street site for rationalisation to reduce the Council's office administrative portfolio, once the remaining services and co-located Police and Children Services teams located in the building are relocated.

Following the successful relocation of the Housing Options service to The Foyer Chapel Street, part of the building has been held vacant. Following a review of Children's Services accommodation, it has been approved to relocate the co-located teams along with the Police to the recently vacated 3<sup>rd</sup> floor of Municipal Buildings. The remaining Children Services School Standards Safeguarding and Inclusion staff, located at South King Street will relocate to Bickerstaffe House.

The Lancashire Constabulary has highlighted their intention to vacate current accommodation at South King Street as it is outdated and no longer fit for purpose, and therefore it is proposed to relocate them to vacant space on the 3<sup>rd</sup> floor of Municipal Buildings supporting existing joint working arrangements.

The town centre has seen a reduction of car parking provision due to regeneration projects in the Town Centre. Most recently at the Tower Street site for the Hounds Hill Phase Two redevelopment, Blackpool Central with commencement of the multi storey car park and the future further development of the site will result in further loss of car parking spaces on Central Car Park. In addition, Topping Street car park is partially closed with the commencement of the new DWP office building and siting of the temporary building for the King Street Dentist.

Interim parking located on the South King Street site will help to alleviate pressure on existing town centre parking and secure additional revenue, which could otherwise be lost and will support the new conference centre and town centre economy.

- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

- 4.1 Not to vacate and demolish the South King Street site and risk losing the Police to alternative accommodation, reducing current joint working arrangements.
- 4.2 To demolish and hold the site vacant pending any future re-development, losing potential car

parking revenue in the interim and adding to parking pressure and damage to the visitor economy as spaces are lost to re-development elsewhere.

**5.0 Council priority:**

- 5.1 The relevant Council priority is: “The economy: Maximising growth and opportunity across Blackpool”.

**6.0 Background information**

- 6.1 It has been a long-standing aspiration of the Council’s office accommodation strategy to vacate and demolish the South King Street offices as soon as appropriate alternative accommodation is secured for the services, which has historically presented various challenges that have now been resolved.
- 6.2 Lancashire Constabulary has highlighted their existing accommodation at South King Street as outdated and no longer fit-for purpose, it has therefore been agreed to relocate the co-located teams to vacant space at Municipal Buildings, providing modern, fit for purpose office accommodation for the Police and Children’s Services.
- 6.3 The close proximity of the South King Street site to both Hounds Hill and the new conference centre presents an ideal opportunity to expand the existing surface car park to absorb lost capacity pending the creation of a new multi-storey facility at Blackpool Central and any future redevelopment plans for the South King Street site.
- 6.4 Costs to demolish the existing accommodation including the Annexe, and to create a surface car park providing 152 car parking spaces is estimated as c£600,000.00. Please see Appendix D.
- 6.5 Annual savings of c£160,000.00 can be expected in terms of saving in premises costs once demolition of the buildings are complete.
- 6.6 Please note this report was intended to feature on July Executive agenda but due to factors outside the Council’s control, notably confirmation of costs, this was not possible. As the matter cannot wait until September, a Cabinet Member Key Decision is sought on this occasion.
- 6.7 Does the information submitted include any exempt information? Yes

Appendices C and D are confidential and not for publication.

## **7.0 List of Appendices:**

- 7.1 Appendix A– Proposed site plan
- Appendix B – Prudential borrowing forecast
- Appendix C – Police lease HOT's (confidential not for publication)
- Appendix D – Project cost plan (confidential not for publication)

## **8.0 Financial considerations:**

- 8.1 Total cost of the works to demolish the buildings and form the surface car park have been estimated as £596,583.00.
- 8.2 The income from 152 car parking spaces to the site is estimated as £193,800.00. The site currently has existing car parking hence the net additional income is estimated as £93,055.00.
- 8.3 The Head of Tourism and Communications has agreed a 50/50 split of the income that the additional car parking revenue will generate to contribute to the prudential borrowing for the capital costs for the works, this has been agreed as £46,500.00.
- 8.4 It is recommended that Prudential Borrowing against the capital costs are based on Annuity Costs over 20 years, with repayments of £46,206.00 funded by 50% of the additional parking income. Please refer to Appendix B.
- 8.5 The South King Street site is currently allocated as housing within the Council's Planning Policy. If the site is redeveloped prior to the Prudential Borrowing being repaid then the balance of any outstanding Capital shall be the first call against a land receipt or income from the development.

## **9.0 Legal considerations:**

- 9.1 Subject to all relevant due diligence.
- 9.2 In collaboration with Legal Services, Property Services have agreed Heads of Terms for the Lancashire Constabulary to lease a portion of the office space on 3<sup>rd</sup> Floor Municipal Buildings

## **10.0 Risk management considerations:**

- 10.1 A competitive open tender shall be carried out to appoint a competent contractor to carry out the demolition works and works to form the new surface car park.

## **11.0 Equalities considerations:**

11.1 Ensuring our town remain accessible and attractive to as wide a tourism market as possible, as well as serving local residents and the business economy using the new conference centre.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 Electric Vehicle charging is being proposed for the new surface car park, with three 22kw chargers sited on the site.

**13.0 Internal/external consultation undertaken:**

13.1 Liaison with all internal and external stakeholders.

**14.0 Background papers:**

14.1 None.

**15.0 Key decision information:**

15.1 Is this a key decision? Yes

15.2 If so, Forward Plan reference number: 04/2022

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

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

**16.0 Call-in information:**

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

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

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**17.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 3 August 2022 Date approved:

**18.0 Declarations of interest (if applicable):**

18.1 None.

**19.0 Executive decision:**

19.1 The Leader of the Council agreed the recommendations as outlined above namely:

1. To approve the demolition of the surplus office and administrative buildings located on the South King Street site, following moves of the remaining staff to Municipal Buildings and Bickerstaffe House, in line with the original intentions of the Council's office accommodation strategy.
2. To create a surface car park on the vacant site at South King Street, providing in excess of 150 car parking spaces, which will serve to replace public car parking spaces lost to the redevelopment at Tower Street and temporary closure of part of Central and Topping Street car parks and provide additional town centre parking in proximity to the new conference centre.
3. To approve Prudential Borrowing of £600,000 to meet the costs of the demolition in decision 1 and the creation of a new surface car park at decision 2 on the terms outlined at Appendix B to be repaid by the additional car parking income.

**20.0 Date of Decision:**

20.1 12 August 2022

**21.0 Reason(s) for decision:**

21.1 The Council's office accommodation strategy has identified the South King Street site for rationalisation to reduce the Council's office administrative portfolio, once the remaining services and co-located Police and Children Services teams located in the building are relocated.

Following the successful relocation of the Housing Options service to The Foyer

Chapel Street, part of the building has been held vacant. Following a review of Children's Services accommodation, it has been approved to relocate the co-located teams along with the Police to the recently vacated 3<sup>rd</sup> floor of Municipal Buildings. The remaining Children Services School Standards Safeguarding and Inclusion staff, located at South King Street will relocate to Bickerstaffe House.

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**22.0 Date Decision published:**

22.1 12 August 2022

**23.0 Executive Members in attendance:**

23.1

**24.0 Call-in:**

24.1

**25.0 Notes:**

25.1