

Notice of :	LEADER OF THE COUNCIL
Decision Number:	PH55/2022
Relevant Officer:	Carl Carrington, Head of Planning and Conservation
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council and Cabinet Member for Tourism, Arts and Culture
Date of Meeting:	5 September 2022

PEPPERCORN RENT FOR NO. 28 TOPPING STREET

1.0 Purpose of the report:

1.1 To consider approving a lease at a peppercorn rent for no. 28 Topping Street to facilitate the formation of a community led Creative Hub.

2.0 Recommendation(s):

2.1 To approve in light of the information contained within this report the granting of a ten-year lease at a peppercorn rent with a break option at the fifth year to mutual benefit.

3.0 Reasons for recommendation(s):

- 3.1
 - To facilitate a programme of community led creative activity within the town, organised, funded and delivered by the community.
 - In part to meet the requirements of Historic England (the funder) in response to the Council’s bid for additional funding to enable this project
 - In part to address criticism of local authority support for local creatives and creative businesses contained within the creative mapping report commissioned in 2020.
 - To strengthen Blackpool’s cultural offer and raise the town’s profile with funders like Historic England and Arts Council England

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 A market rent could be charged for the property, but this would undermine the model for allowing the local creative community to deliver objectives around growth and community outreach by placing a fee target on activities.

A reduced rent might be considered but this is also likely to limit the deliverability of the project longer term.

A shorter lease term of either 5 or 7 years is also a potential option if the Cabinet Member decides but this would limit the ability of any potential tenant to raise money from funders for any further capital improvements to the building. This is significant as there may be the scope to improve the lock up building behind no. 28 Topping St (no. 28a) and bring it back into use as additional community space.

5.0 Council priorities:

- 5.1 The relevant Council priorities are: “Communities: Creating stronger communities and increasing resilience” and “The Economy: Maximise Growth and Opportunity Across Blackpool”.

6.0 Background information

- 6.1 **Purchase** – The building was purchased using Quality Corridors (QC) funding in late 2018, the justification being the architectural quality of the frontage and the size of the unit. The original intent had been to refurbish and re-let the building but it quickly became apparent that there were issues, which the initial survey had not picked up. Principal amongst these were structural problems with the façade parapet, extensive hidden asbestos and the tendency of the basement to flood to a level of between two and five inches of water with heavy rain. A provisional sum of £85,000 was allocated from the Quality Corridors fund to refurbish the exterior of the building but this left a significant shortfall for bringing the building back into good order.
- 6.2 **Inclusion in the Heritage Action Zone Project** – In September 2019, Historic England confirmed that Blackpool Council’s application for a Heritage Action Zone grant had been approved. The two schemes in the original bid were the shopfronts to the Church Street elevation of the Winter Gardens and the Shopfronts to the Church street elevation of the Grand Theatre. Unfortunately, by December 2019, the Grand Theatre had withdrawn from the scheme and Historic England asked the Council to look for alternative projects within the HAZ area. 28 Topping Street was identified as one of the additional projects but the funder wanted to see something more than a lettable shop if it was to use money for internal repairs and refit (the HAZ scheme is focused largely on external repairs only).

6.3 **Procuring a Creative Sector Partner** – An invitation to apply for the operation of the building was issued in July 2021 through the chest and a number of local organisations were invited to look at the opportunity, which was also shared widely on social media and through other Arts Council England contacts. Only one expression of interest was received but as this was from an eligible organisation, the process went ahead with the application being assessed against set criteria by Carolyn Primett, being subsequently approved by Procurement and the Board of the HAZ Cultural Programme. The preferred organisation (Aunty Social) are aware that the rent status is subject to the approval of this decision.

6.4 **Governance and Partnership** – The partnership between the Creative Hub operator and the Council will work in a loosely similar way to that employed in oversight of the Council’s wholly owned companies. In addition to the lease, a service level agreement will be drafted to specify what the Council expects from the managing organisation in terms of outcomes and conformity to Council policies and standards. The Service Level Agreement will also set out a system by which the operator will meet with Council representatives to feedback on outputs and targets. The Council representatives at this time are suggested as Carolyn Primett and Carl Carrington supported by other officers as necessary.

6.13 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 The Council will potentially lose any rent for the period of the lease, but the purchase of the building has been fully funded through the Quality Corridors Programme, and Historic England has provided 70% of the refurbishment cost. This means that Council has secured - for less than £20,000 - a fully refurbished building to deliver a community service for which there is ample evidence of need and support.

9.0 Legal considerations:

9.1 Legal considerations as to be contained within the proposed lease and its appended Service Level Agreement. The latter will be designed to set out Council requirements for monitoring its investment and measuring the outcomes of the service being provided from the building. The Council’s Legal Services section will use such resources as required to enter into the appropriate documents to secure the Council’s interest.

10.0 Risk Management considerations:

10.1 The lease and Service Level Agreement will make provision for managing risk, with clear parameters for operation and observance of Council requirements in terms of ethical policies and standards.

11.0 Equalities considerations:

11.1 Regard must be given to the provisions of the Equality Act 2010 and to the duty under section 17 of the Crime and Disorder Act 1998. Both the lease and the service level agreement will adhere to the provisions set out in the legislation.

12.0 Sustainability, climate change and environmental considerations:

12.1 The property has been retrofitted with a number of enhancements including upgraded insulation to the roof, renewed glazing (some double-glazing, some thermally efficient laminated glass) and air source heat pumps for heating and hot water.

13.0 Internal/external consultation undertaken:

13.1 Internal consultation has taken place with colleagues in the arts service (who were responsible for managing the procurement/tenancy aspects of the project) and they have recognised the value in a Council supported community delivery mechanism in raising our profile with various funders and demonstrating the council's commitment to grass roots creative provision.

The wider creative community were consulted through the creative mapping exercise and the provisions within the building reflect as many of the requirements set out in that report as possible within the constraints of the building and the available funding.

The general form of the building was consulted on through the achievement of planning permission and its attendant 21-day consultation period.

14.0 Background papers:

14.1 None.

15.0 Key decision information:

15.1 Is this a key decision? No

15.2 If so, Forward Plan reference number:

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: N/A Date approved: N/A

18.0 Declarations of interest (if applicable):

18.1 None.

19.0 Executive decision:

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

To approve in light of the information contained within this report the granting of a ten-year lease at a peppercorn rent with a break option at the fifth year to mutual benefit.

20.0 Date of Decision:

20.1 5 September 2022

21.0 Reason(s) for decision:

21.1 To facilitate a programme of community led creative activity within the town, organised, funded and delivered by the community.

In part to meet the requirements of Historic England (the funder) in response to the Council's bid for additional funding to enable this project

In part to address criticism of local authority support for local creatives and creative

businesses contained within the creative mapping report commissioned in 2020.

To strengthen Blackpool's cultural offer and raise the town's profile with funders like Historic England and Arts Council England

22.0 Date Decision published:

22.1 5 September 2022

23.0 Alternative Options Considered and Rejected:

24.1

24.0 Executive Members in attendance:

24.1

25.0 Call-in:

25.1

26.0 Notes:

26.1