



ACE CENTRE REVIEW

AUGUST 2021

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EXECUTIVE SUMMARY

Background

Pendle Leisure Trust have been asked by Pendle Borough Council to undertake a review of the ACE Centre in Nelson, an important cultural venue in Nelson.

The purpose of the review is to identify whether there is a viable future for the building in its current form as an arts and cultural centre without the need for ongoing revenue support. Examining alternatives uses or options available so that it can remain open but at no cost to the Council.

The ACE Centre is located on Cross Street Nelson and is situated in the heart of Nelson Town Centre. It was built in 2009 as an Arts, Culture and Enterprise Centre to replace the Silverman Hall in Nelson. The Council asked Pendle Leisure Trust to manage the venue on their behalf and agreed that ongoing revenue support in the form of a subsidy would always be required.

The top 2 floors of the building are owned and operated by PEARL, the Council's Joint Venture Company whilst the bottom 2 floors are leased by the Council to Pendle Leisure Trust to manage and operate on the Council's behalf.

The bottom 2 floors offer a unique mix of facilities and whilst many events and activities that have taken place over the years have been successful and profitable, the Centre because of its location and other issues such as lack of parking for the venue, it has always required an operating subsidy from the Council.

Demand and Supply Context

The ACE Centre sits within Nelson, being one of the main towns within the Borough of Pendle with a population of approximately 90,000. Pendle is situated within East Lancashire with the east of the Borough on the border with North Yorkshire. A realistic catchment area for the centre is within a 20 minute drive time.

Despite the competition from other local venues offering similar facilities there was, pre-COVID, evidence that certain pockets of the local population supported and used the centre and that the local community were engaged with the arts and cultural offering in place at the centre.

However like similar venues competition for function suites, community venues to hire, and food and drink offerings within the 20 minute drive time is significant.

Evidence from a number of similar venues of a similar scale, being mixed use venues which are used for a range of community and performing arts purposes and well as function suites suggest that centres such as the ACE Centre operate at a subsidy. Some operate on slender margins but rely heavily on volunteers and most fundraise on a regular basis.

Assessment

A number of potential options and opportunities were explored for the future of the ACE Centre. The options were based on a number of factors.

Following consultation with key partners and stakeholders the ACE Centre is seen as a key cultural asset and venue not only in Nelson but also Pendle. Along with Pendle's newly appointed Cultural Development Manager and Pendle's 10 year Arts, Culture and Creativity in Pendle 2020-2030 Strategy, one option is to drive the arts offering through the local community to ensure the centre becomes a central hub for arts and culture in Pendle. This would still require a subsidy in the first instance but there is the potential to draw down external funding to enable this to happen.

There is the option for reopening the Bistro only but having the Centre available for hire. The building would then not be manned and would only open for specific events. This could also be merged together with the arts and cultural offering as mentioned above thereby significantly reducing the current subsidy.

There is the potential to move other existing services and activities into the building to be operated and managed by other providers and or organisations. This would mean transferring the lease from Pendle Leisure Trust with the facility remaining open in some form, but at no cost to the Council.

The closure of the ACE Centre is the final option to consider. The Council could then look at disposing of its asset fully.

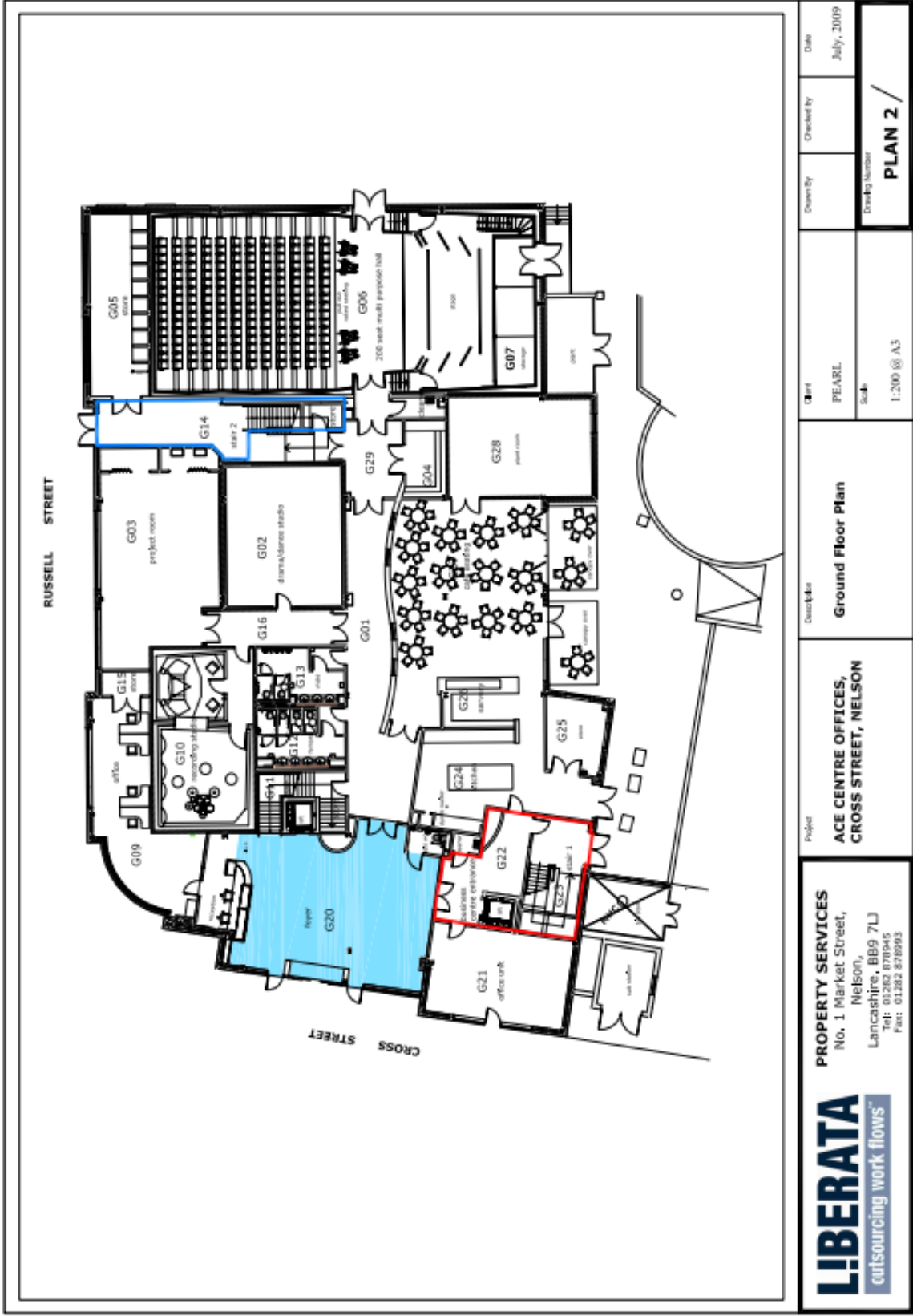
1. **INTRODUCTION**

The ACE Centre is a purpose-built arts, culture and enterprise venue in the heart of Pendle. Located on Cross St in Nelson, the Ace Centre was originally opened in 2009. Pendle Leisure Trust operates the ACE Centre on behalf of Pendle Borough Council and the Centre is one part of the Trust's range of sport and leisure facilities which includes leisure centres, a theatre and a range of community activities.

The Centre comprises of four floors of which the ground floor and first floor are leased by the Trust on a peppercorn rent from the Council. The Lease held by the Trust on the Ace Centre expires in 2034. The other two floors are retained and managed by the Council's Joint Venture Company, PEARL and will not be considered in the scope of this review.

The ACE Centre offers a range of various facilities including a 200 seated theatre, an arts and dance studio, recording studio, meeting rooms, function suite and a Bistro which is open Monday to Friday. The Centre also offers a mix of activities hosting arts, dance, film, music and theatre programmes.

It also plays host to a number of local theatre groups, private hires and celebratory events.



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Project

**ACE CENTRE OFFICES,
CROSS STREET, NELSON**

Drawn by

First Floor Plan

Client

PEARL

Drawn by

Checked by

Date

July, 2009

Drawing Number

PLAN 3 /

Scale

1:200 @ A3

1.1 Background to the Study

Several constraints of the Centre have meant that it has been unable to operate without a subsidy and therefore the Council pays the Trust a subsidy towards the net operating cost of the ACE Centre and has done so since 2009.

The net operating cost of the Centre was estimated to be circa £176k for the financial year 2021/22 which, due to the financial constraints of the Council, is now no longer deemed to be affordable by the Council.

As a consequence, the Council took a decision to undertake a review of the ACE Centre to explore alternative uses, users and/or operator so that the facility can remain open but at no cost to the Council.

The previous Council Administration agreed to commission an independent review of the Centre to examine the options / opportunities available to them and had allocated £10,000 to pay for this review.

Due to a change in the political landscape and new Council Administration in Pendle in May 2021, the new Administration decided not to go ahead with the review using a paid Consultant and consequently asked Pendle Leisure Trust to undertake the review.

2. HISTORY AND CURRENT SITUATION

2.1 The ACE Centre

The ACE Centre is a unique facility offering a quality flexible space for arts, leisure and business.

It is seen as an important arts and cultural asset within East Lancashire as well as an essential venue for the local community.

The Centre opened in 2009 at a cost of £6.5 million and has over the years hosted many different events including live music, comedy nights, conferences, weddings and prestigious events such as Pendle Business Awards.

The ACE Centre is also now seen as an integral part of Pendle's new Arts Strategy "Arts, Culture and Creativity in Pendle 2020 – 2030" and also the Nelson Town Deal Fund.

2.2 Current Situation Pre-COVID-19

Before the pandemic the ACE Centre had a range of regular bookings in place such as Slimming World, Lancashire Adult Learning and the hugely popular monthly Variety Shows. In addition the Trust had secured a long time hirer for the Recording Studio. The Centre had also seen an increase in the last 12 months pre-pandemic in the number of functions such as Weddings and Mehndi's.

However, the Centre has always been difficult to manage since it opened 11 years ago due to several challenges that have proved difficult to overcome.

Many factors have attributed to this including the fact that it is situated in the heart of Nelson which has severe pockets of deprivation.

Parking is a major issue for the facility. Several large contracts including a long term booking to host Driver Awareness Courses, have given parking as the main reason for not progressing with their enquiries.

In addition problems with anti-social behavior in the adjacent courtyard can make it an intimidating venue to visit in the day and night.

Regular bookings such as public sector meetings along with income have reduced over the years during the period of austerity from 2010 onwards.

Nevertheless, pre-COVID-19 the Trust had started to develop and grow its cultural offer along with increasing the number of events along with events specifically designed for the BAME community of Nelson.

Audience numbers at some events had started to grow and due to a change in personnel in the Bistro, this area of the business was seeing a marked improvement.

2.3 SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

<p>Strengths</p> <ol style="list-style-type: none"> 1. Unique venue 2. Flexible spaces 3. Good transport links by rail, bus and road 4. Quality facilities 5. Established Social Media and Marketing Distribution avenues through Pendle Leisure Trust 6. Balanced programme 7. Affordable 8. Excellent hospitality provision 9. Established audiences 10. Event management experience 11. There is a demand for cultural activities in Pendle (<i>Arts Culture and Creativity in Pendle 2020-2030</i>) 	<p>Weaknesses</p> <ol style="list-style-type: none"> 1. Limited car parking 2. Not reopening the facility following the COVID lockdown has led to previous users finding alternative venues 3. Location (perception of Nelson) 4. Location (deprived wards demographics) 5. Location (general decline of Nelson Town Centre) 6. Persistent antisocial behaviour in the courtyard next to the Ace Centre. 7. Potential lack of demand due to closure since the pandemic 8. Art seen as elitist 9. Lack of night time economy in Nelson 10. Lack of staff and experience onsite 11. Event management experience 12. Lack of partnership collaborations 13. Awareness of the venue across Pendle 14. Corporate appearance of the building
<p>Opportunities</p> <ol style="list-style-type: none"> 1. Create demand 2. Become venue of choice 3. Create a vibrant night time economy 4. Attract new audiences 5. Community cohesion 6. Tenants use from top floors 7. Create new associations with groups 8. Engage better with local people to influence events and activities 9. Contractual relationships with schools and colleges 10. Management can rise to the challenge 11. Community volunteer usage 12. Recent appointment of new Cultural Development Manager within Pendle Leisure Trust 13. 'This is Nelson' five year Arts and Culture Programme as part of the Nelson Town Deal fund 14. Arts Culture and Creativity in Pendle Strategy 2020-2030 	<p>Threats</p> <ol style="list-style-type: none"> 1. Local competition 2. Trying not to split established audiences 3. Not achieving a balanced programme 4. Sustainability 5. Reduction in Management Fee since 2010 6. Public response to the reopening of the economy following Lockdowns and their willingness to visit public and crowded spaces 7. Poor ventilation in theatre areas 8. Poor perception of public transport 9. Risk of negative comments from community members 10. Risk of dissatisfied customers 11. Management fee only issued until September 2021 - building is unmanaged from this point 12. Loss of past users and bookings

2.4 Partners and Usage

Organisations using the ACE Centre Pre-Pandemic

- Pendle Borough Council
- CVS
- Lancashire Fire and Rescue
- Building Bridges Pendle
- Insitu
- Ingeus (NHS Diabetes Prevention Clinic)
- Pendle Camera Club
- Pendle Flower Club
- Pendle Disability Forum
- The Samaritans
- Multiple Freelance Artists and Musicians
- Borderline Theatre Company
- Up and Active
- Lancashire Adult Learning
- Slimming World
- Garrick Theatre
- Talk First Baby Sensory Group
- Ben Gonzalez Self Employed Studio Hirer
- National Theatre Live

Regular Sessions and Events at the ACE Centre Pre-Pandemic

- Yoga
- Stop Smoking
- Pendle Flower Club
- Just Imagine Youth Theatre
- Over 50's Club
- Talk First (Baby Sign and Sensory)
- Lancashire Adult Learning Classes
- Ingeus Diabetes Prevention Clinic
- Borderline Rehearsal Space
- Variety Shows
- Over 50's
- Professional Touring Music and Theatre
- Craft Fairs
- Children's Shows
- Pendle Flower Club
- Regular National Theatre Live Events
- Regular Cinema Events
- Cultural Music Festivals
- Private Events, Parties, Weddings and Asian Celebrations

2.5 Financial Information

For this financial year, 2021/22, Pendle Borough Council has allocated part of the Pendle Leisure Trust Management Fee to enable Pendle Leisure to manage The Ace Centre building until 30 September 2021.

The Management Fee for the Ace Centre has reduced year on year since opening in 2009 without any reduction in service from Pendle Leisure Trust.

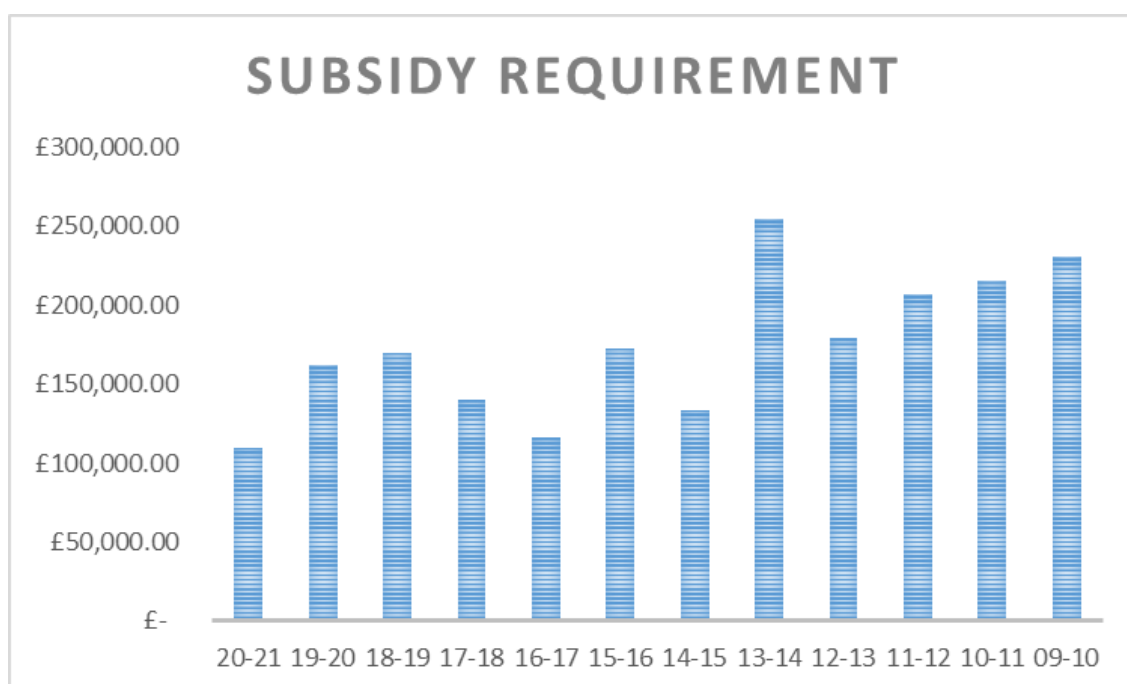
Income and expenditure since 2009 along with the management fee reductions can be seen in the following charts.

Since the Ace Centre opened in 2009, Pendle Leisure's Management Fee has seen a reduction of £931,850 to the financial year end 2021, with little reduction in service across its portfolio of facilities, services and activities.

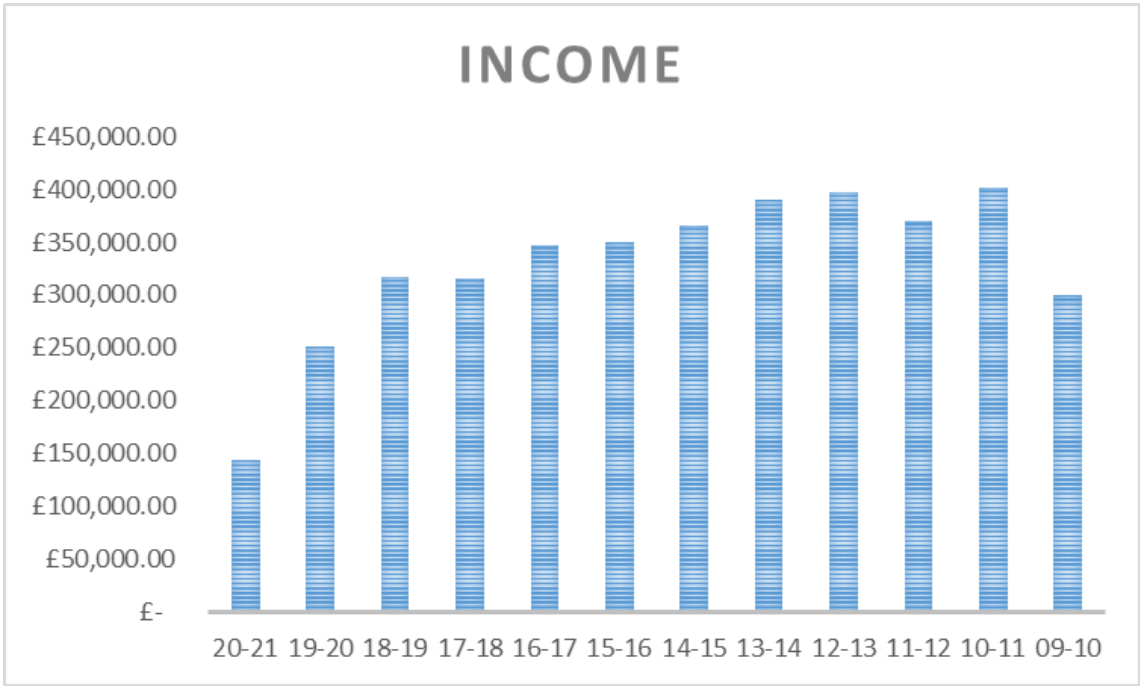
In the financial years between 2009/10 and 2011/12 the Trust received an additional Management Fee specifically for the Ace Centre, this being £268K in 2009/10.

From the year 2012/13 any subsidy required for the centre was included in the Trust's overall Management Fee. The subsidy required for the Ace Centre can be seen in the chart below.

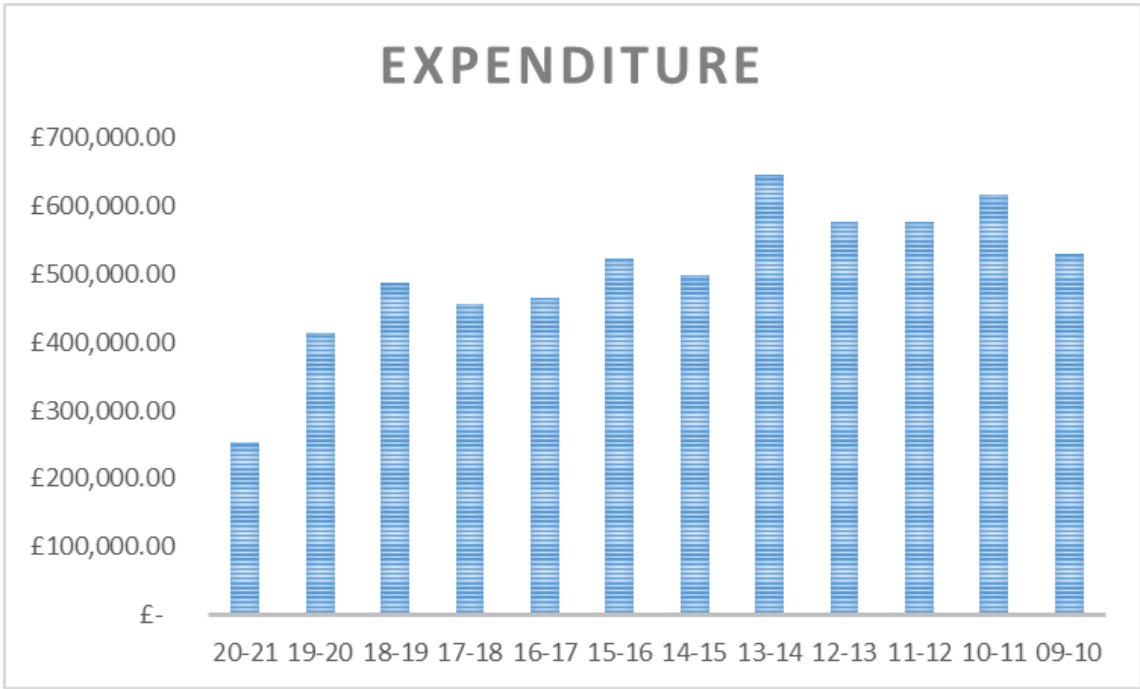
ACE Centre Subsidy Requirement



Ace Centre Income*

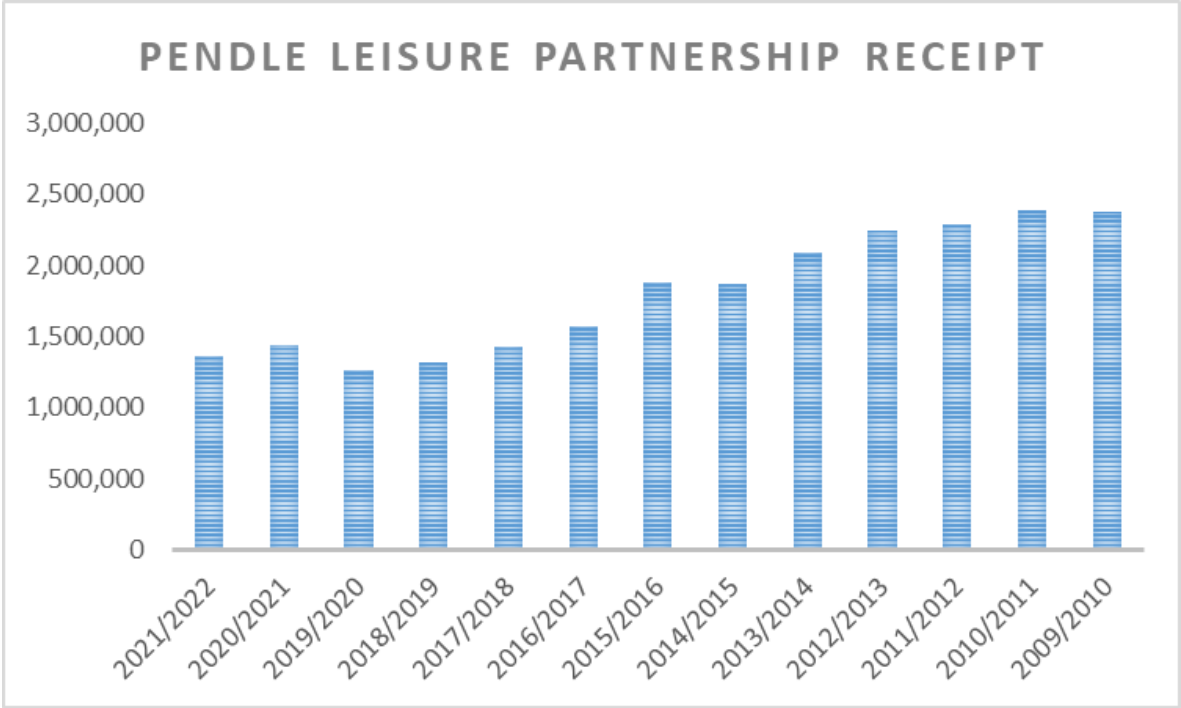


Ace Centre Expenditure*



* Closure from March 2020 due to pandemic.

Pendle Leisure Trust Partnership Receipt / Management Fee



3. DEMOGRAPHICS

Pendle has severe pockets of deprivation (Colne, Nelson and Brierfield), overall BME of 20.4% compared to the National average of 14.3% (2011 census). 16 LSOA's in Pendle are in the 10% most deprived output areas in England. (Indices of Deprivation 2015).

A greater proportion than Nationally are classed as obese, 24.3%, and cardiovascular disease kills 1/3 of the population. Life expectancy is 9.3 years lower for men and 6 years lower for women in the most deprived areas than in the least deprived.

Residents from the Borough exhibit a wide range of socio-economic problems exacerbated by many years of under-investment, including high levels of worklessness, health inequalities, low levels of educational attainment and poor housing.

Many wards are characterised by poor housing, low education attainment and poor health that includes a high prevalence of obesity and cardiovascular disease. Pendle also fares worse in comparison to Lancashire and England for mental health (Lancashire has one of the highest rates for suicide/self harm in the Country). High levels of poverty, long term sickness and living in densely populated areas with limited access to the natural environment are characteristic of Pendle. These factors are associated with social isolation, mental health problems, unemployment, and physical inactivity.

With regards to Nelson the population, based on 2009 Office for National Statistics estimates, is 28,405. Of the 6 wards in Nelson, Bradley has the biggest population with 6,508 people and Marsden has the smallest with 3,591 people. There are generally more young people in the area than older people. 24.7% of the Nelson population is made up of 0 to 15 year olds, compared to 15.8% comprising of 60/65 year olds (female/male) and over. The ward with the highest young population is Whitefield with 29.5% of the population aged 15 or under. Only Marsden has an elderly population that is higher than the national average.

Nelson has a significant Pakistani population in comparison to the Pendle and national averages. 29.2% of the area population are Pakistani, compared to 13.4% in Pendle and 1.4% nationally. The greatest proportion of Pakistani residents comes in Whitefield where 66.9% of the population are of Pakistani ethnicity. Although most wards in the area have a Pakistani population greater than the Pendle average, the Marsden population is made up of mainly white residents. Only 2.3% of the ward are of Pakistani ethnicity, which although greater than the national average is well below the Pendle and Nelson averages.

62.2% of the Nelson population are classified as economically active. This is below the Pendle and national averages of 70.7% and 74% respectively. Within the 6 wards in the area the percentage of economically active residents ranges from a high of 71.4% in Marsden to a low of 50% in Whitefield. In Nelson 9.4% of residents have never worked, which is more than double the Pendle average and over three times the national average. Nearly 20% of the Whitefield population have never worked. In terms of the occupation breakdown in the area, 9.8% of the population are in managerial or senior official positions. This is below the Pendle and Great Britain averages of 13.4% and 14.8% respectively. At the other end of the scale, 15% of the Nelson population are in elementary occupations. This is above the Pendle average of 12.1% and the national average of 11.9%.

The proportion of residents in the Nelson area with a limiting long-term illness is 22.7%, which is above the Pendle and national averages of 20.95% and 17.93% respectively. In Bradley nearly 25% of the population have a limiting long-term illness, and all the wards in Nelson have a proportion greater than 20%.

The total recorded crime rate in the Nelson area was 83.3 per 1,000 population between April 2010 and March 2011. This is higher than the Pendle and Lancashire averages of 64 and 70.5 respectively. The ward with the highest rate in Nelson is Whitefield with 127.2 crimes occurring per 1,000 population. The lowest rate in Nelson is in the Marsden ward.

Anti-social behaviour (ASB) is perceived to be a problem across the country. In Nelson there are 112.4 calls to the police about ASB per 1,000 population, which is above the Pendle average of 86 and the Lancashire average of 87.1. Southfield has the highest rate in the area with 128.8 calls to the police about ASB per 1,000 population. The rate of burglaries occurring in Nelson is 25.8 per 1,000 households, which is above the Pendle and Lancashire averages. The rate varies across the wards in the area, with a rate of 10.4 in Clover Hill and 40.4 in Whitefield.

Calls to the police about domestic violence occur at a rate of 30.9 per 1,000 population in Nelson, which is higher than the Pendle and Lancashire averages. In Southfield the rate is more than double the comparative averages of Pendle and Lancashire. The rates for each of the 6 wards are all higher than the borough and county averages.

69.3% of all households in the Nelson area are terraced houses, which is above the Pendle and national averages of 58.6% and 25.8% respectively. In all 6 of the wards in Nelson the proportion of terraced houses is at least 50%. In Whitefield 90% of all households are terraced houses. Conversely, all the wards in Nelson have a proportion of detached houses that is less than 10%. Indeed, the average proportion of detached houses out of all households in Nelson is 4.9%, which is more than half the Pendle average and over 4 times lower than the national average.

The proportion of adults in the Nelson area with no qualifications is 51.4%, which is higher than the Pendle and Great Britain averages of 44.1% and 35.8% respectively. The ward with the highest proportion in Nelson is Whitefield, closely followed by Bradley. By contrast, the percentage of Nelson adults with higher level qualifications is below the comparative averages. The figure of 9.5% for Nelson is over half the Great Britain average of 20.4%. In Bradley, just 6.8% of adult residents have higher level qualifications.

4. CURRENT COMPETITION

Competition for the Ace Centre comes in many forms due to the flexibility and variety of the building. The competition can be segregated into six key areas. These are as follows:-

- Function Suite (Wedding)
- Function Suite (Asian Weddings and Mendhis)
- Conferencing Facilities
- Theatre
- Cinema
- Bistro

A key weakness of the Ace Centre which has been identified over the years of managing the site is the lack of onsite parking. It can be seen through this competitor analysis the vast majority of the Ace Centre competitors have onsite free parking.

Historically, many lucrative bookings have been lost with the main reason for not taking a booking being the lack of dedicated car parking.

4.1 Function Suites

Facility	Address	Distance from Ace Centre	Aprox Drive Time	Description
The Stone Trough	Colne Road Kelbrook	5.2 Miles	14 Mins	Traditional pub setting with function suite, overnight accommodation and onsite parking.
Fence Gate	Wheatley Lane Road Fence	2.5 Miles	6 Mins	Packages from a minimum of 50 guest during the day and 125 in the evening. Parking and accommodation available.
Crow Wood	Holme Road Burnley	4.9 Miles	9 Mins	Catering for up to 400 delegates with various Banquet suites, Meeting Rooms and Theatre style options. Onsite Parking, Hotel and Spa.
Higher Trapp	Trapp Lane Simonstone	6.3 Miles	12 Mins	Wedding packages available up to 120 for day meal, private lawns for photographs. Private free parking available. Overnight accommodation available
Stirk House	Gisburn Road Clitheroe	9.8 Miles	20 Mins	Can host up to 250 guests and has multiple function suites adequate onsite parking available. Overnight accommodation onsite.
Alma Inn	Emmott Lane Colne	5.1 Miles	14 Mins	Functions available in a traditional pub setting. Onsite parking and overnight accommodation onsite.
Turf Moor	Harry Potts Way Burnley	5.7 Miles	12 Mins	Huge Function Suites up to 550 guests. Over 300 onsite parking passes.
Muni Theatre	Albert Rd Colne	3.4 Miles	9 Mins	Functions available for up to 200 seated guests and 800 standing guests. No onsite parking.
Rendezvous Hotel Skipton	Keighley Rd Skipton	15 Miles	31 Mins	Packages available for 100 guests. Six bedrooms onsite and onsite parking is available free of charge.

4.2 Function Suites (Asian Weddings and Mendhis)

Facility	Address	Distance from Ace Centre	Aprox Drive Time	Description
The Grand Venue	Harrison Street Blackburn	15 Miles	25 Mins	Cater for weddings – functions for around 800 people. Onsite parking.
Manzil	Bury Road Manchester	31 Miles	43 Mins	Very large catering for up to 1200 guests. Car parking available.
Shahi Qila	Shearbank Road Blackburn	15 Miles	23 Mins	Catering for between 400-500 guests with onsite parking.
Vermillian	Manchester	32 Miles	43 Mins	Catering for approximately 600 guests and has onsite parking.
Sheridan Suite	Oldham Road Manchester	31 Miles	42 Mins	Catering for approx. 1000 guests with car parking available.

4.3 Theatre / Cinema

Facility	Address	Distance from Ace Centre	Aprox Drive Time	Description
Muni Theatre	Albert Road Colne	3.4 Miles	9 Mins	Theatre with no onsite parking. Unrestricted street parking is available however.
Burnley Mechanics	Manchester Road Burnley	5.3 Miles	11 Mins	Theatre. Parking to the rear pay and display.
Every Man Clitheroe	Holmes Mill	13.2 Miles	26 mins	Cinema attached to Bowland Brewery. Parking onsite.
Pendle Hippodrome	Market Street Colne	3.2 miles	9 Mins	Theatre Unrestricted street parking and longstay parking close by.
Grand Clitheroe	York Street Clitheroe	11 Miles	25 Mins	Theatre Car Parks available, 7 car parks within 10 min walk.
Skipton Town Hall	High Street Skipton	15 Miles	31 Mins	Gallery Heritage Site. Multiple long stay paid parking close by.
King Georges Hall	North Gate Blackburn	16 Miles	26 Mins	Theatre Multiple Long Stay paid parking available.
Blackburn Empire	Aqueduct Road Blackburn	18.5 Miles	25 Mins	Theatre with onsite free parking.
Whittaker Museum	Haslingden Rosendale	15.3 Miles	20 Mins	Museum and Art Gallery. Parking available.
Oswaltdwistle Theatre	Union Rd Oswaltdwistle	12.1 Miles	7 Mins	Theatre and Civic Arts Centre, Small onsite parking.
Burnley Youth Theatre	Queens Park Road Burnley	5.8 Miles	13 Mins	Theatre Free Parking onsite.

4.4 Conferencing Facilities

Facility	Address	Distance from Ace Centre	Aprox Drive Time	Description
Impact Conferencing	Sycamore Avenue Burnley	6.2 Miles	11 Mins	A purpose-built facility in Burnley with a 500 seat Auditorium and state-of-the-art audio-visual systems. Smaller conference rooms are also available to hire. Onsite car parking available.
Turf Moor	Harry Potts Way Burnley	5.7 Miles	12 Mins	10 conference suites that can cater from 5 to 550 guests. Onsite parking available.
Crystal Banqueting Hall and Conferencing Centre	Elizabeth Street Burnley	4.5 Miles	17 Mins	Large Hall more geared towards Wedding banqueting than conferencing. Small pay and display parking site next door.
Fence Gate	Wheatley Lane Road Fence	2.5 Miles	6 Mins	Catering for between 10 and 350 delegates. Onsite accommodation and parking available.
Oaks Hotel	Colne Road Burnley	3 Miles	8 Mins	Catering for between 20 and 180 delegates with onsite accommodation and parking available.
Burnley Campus	Princess Way Burnley	4.7 Miles	9 mins	Catering for between 25 and 200 delegates offering free tech support and parking.
Crow Wood	Holme Road Burnley	5.1 Miles	10 Mins	Catering for up to 400 delegates with various Banquet suites, Meeting Rooms and Theatre style options. Onsite parking, Hotel and Spa.
Prairie	Windermere Avenue Burnley	3.3 Miles	10 Mins	Conference suite and sports village with onsite parking and catering offering.

4.5 Bistros / Food and Drink Offer Within a 20 Minute Drive Time

Facility	Address	Distance from Ace Centre	Aprox Drive Time	Description
Costa	Admiral Centre Nelson	< 1mile	N/A	National chain with town centre parking.
Pound Cafe	Manchester Road Nelson	< 1mile	N/A	National chain with town centre parking.
Wills	Gisburn Road Barrowford	1.3 Miles	5 Mins	Wine bar and catering with parking available to the rear.
Morrison's	Pendle Street Nelson	< 1mile	N/A	Supermarket café with own parking.
Toast	Gisburn Road Barrowford	1.3 Miles	5 Mins	Coffee kitchen and wine lounge. Unrestricted street parking and pay and display parking within walking distance.
Booths	Gisburn rd. Barrowford	1.5 Miles	7 Mins	Supermarket café with up to 3 hours free parking.
Heritage Centre	Colne Rd Barrowford	1.6 Miles	6 Mins	Catering with free parking.
Tubbs	Albert Rd Colne	2.9 Miles	12 Mins	Bar and catering with free parking close by.
Boundary Mill	Vivary Way Colne	3 Miles	13 Mins	Several catering offerings within a large retail setting with large free parking available.
Junction 12	Hollin Bank	1.9 Miles	6 Mins	Retail and catering with ample parking.
Prairie	Windermere Avenue Burnley	3.3 Miles	10 Mins	Conference suite and sports village with onsite parking and catering offering.

5. CONSULTATION PROCESS

As part of the review process we have engaged with a number of stakeholders in order to gain an understanding of the following key areas.

What We Asked

- Awareness of the Ace Centre
- What is the Ace Centre
- How they rated the location, visitor access and parking
- Any barriers they could identify for engagement with events
- Their usage history and experiences of the Centre
- How they rated its importance as a venue within Nelson Town Centre
- What they felt were the opportunities for the future of the Centre
- How they felt the pre-COVID offering could be improved

Who We Asked

David Gaffney	Arts Council
Rauf Bashir	Building Bridges (Community Organisation)
Paul Hartley	In-Situ (Interdisciplinary Organisation based in Pendle, Lancashire, working between arts practice, community engagement and ecology.)
Nick Harbour	Nelson Town Council
Zafar Ali	Nelson Town Council
Kirsty Rose Parker	The Evaluator (Independent Evaluation Specialist and Former Manager of the Ace Centre)
Laurie Peake	Super Slow Way (Arts Commissioning Group)
Julia Ansell	Talk First (Ace Group Hirer)
Bryan Morris	Over 50s (User)
Michelle Chapman	Prince's Trust
Janet Parkinson	Stage Door Youth Theatre
Glen and Sue Southworth	Variety Shows
Ben Gonzalez	Recording Studio(Hirer)
Grand Theatre	Clitheroe
Various Users of the ACE Centre	

*"No other venues
like it in Nelson"*

**Laurie Peake,
Super Slow Way**

*"Ideal space for cultural
events, conferences
and meetings"*

Paul Hartley, in-situ

*"A quality venue
with a variety
of space to use"*

Rauf Bashir, Building Bridges

*"The food
and ambience in
the Bistro are
fantastic"*

**Julie Ansall,
Talk First**

"Parking has to be improved or changed in order to attract people to the centre. You cannot expect people to visit such great facilities such as the ACE Centre and boost the local economy with the lingering doom of having to move your car every hour or so"

Ben Gonzalez, Recording Studio Hirer

Parking is definitely in need of improvement"

**Julie Ansall,
Talk First**

"The building feels very corporate and very intimidating. The reception is too large and the reception desk is a barrier"

Laurie Peake, Super Slow Way

"The main problem is parking and always has been"

**Kirsty Rose Parker,
The Evaluator**

6. OPTIONS APPRAISAL

6.1 The Role of Ace Centre in Nelson

It is Important within this review that we look at the Ace Centre not just as a standalone entity but at how it fits into the town of Nelson as a whole. Opportunities should be investigated to highlight any benefits it may have in the bid to regenerate Nelson Town Centre. This is more prominent in light of the £25 million awarded as part of the Nelson Town Deal Plan.

The Ace Centre can be a key venue to help meet key outcomes in Local and National cultural strategies and can be a key driver to assisting the regeneration of Nelson Town Centre through the Nelson Town Plan.

Arts Council England's paper "*A High Street Renaissance*" highlights the benefit of cultural venues within the regeneration of high streets. Its findings state:

"Culture is a vital ingredient for successful high streets. Such high streets are now often multifunctional. They do not exclusively depend on their retail offers to secure footfall and spending."

Benefits of cultural experiences on the high street were identified within the same report as:-

Builds Civic Pride: 62% of adults agree that cultural experiences on the high street give them a sense of pride about their local area.

Defends against high street decline: Closure of high street retail dents civic pride and creates spirals of decline.

Footfall as an indicator of high street vitality: Culture drives footfall and spending. Many cultural activities require in-person settings, which drive footfall.

In January 2020, The Arts Council commissioned Wavehill Ltd. to undertake a review of the importance of arts and culture in the lives of people, communities and places. The review built on previous research (Jiwa et al 2009, O'Donnell 2018) that demonstrated that:

"An individual's participation in events related to culture and the arts can play an important role in developing sustainable places and communities."

The same report also highlighted the most recent report by Cebr in 2015 which had the following findings:-

- For every £1 in turnover directly generated by the arts and culture industry, an additional £1.24 in output is supported in the wider economy through indirect and induced multipliers.
- For every £1 of GVA generated by the arts and culture industry, an additional £1.14 of GVA is supported in the wider economy through indirect and induced multipliers.
- For every 1 job directly created by the arts and culture industry, an additional 1.65 jobs are supported in the wider economy through indirect and induced multipliers.
- For every £1 in employee compensation paid to workers directly employed in the arts and culture industry, an additional £1.21 in employee compensation is supported in the wider economy through indirect and induced multipliers.

The Ace Centre can be a vital contributor as a cultural venue in ensuring the investment of £25 million secured through the Nelson Towns Deal Funds is a success.

“The overarching aim of the Towns Fund is to ‘drive the sustainable economic regeneration of towns to deliver long term economic and productivity growth,’ through:

- ***Urban regeneration*** – ensuring towns are thriving places for people to live and work by, **e.g. strengthening cultural and economic assets**, site acquisition, preparation, remediation and / or development,
- ***Skills and enterprise infrastructure*** – e.g. driving private sector investment and small business development, ensuring towns have the space to support skills and small business development,
- ***Connectivity*** – improving transport networks and digital connectivity.

The recent pandemic has seen a vast increase in the levels of people suffering with mental health and isolation - something that has long been proven to benefit from engaging with Arts and Culture.

A recent report from MIND entitled the Mental Health Emergency highlighted the following:-

Pre-existing inequalities have been worsened by the pandemic, and this report highlights how the pandemic’s effects on mental health have been disproportionate. The following groups of people are more likely to report that their mental health has declined:

- *Women*
- *People with disabilities*
- *Those living in social housing*
- *People with eating disorders, obsessive compulsive disorder, or personality disorders*
- *Frontline workers.*

Systemic racism has resulted in people from Black, Asian and Minority Ethnic (BAME) communities experiencing much higher coronavirus death and infection rates. Whilst our research did not find a significant difference in the overall rate of decline in mental health for people from BAME communities in comparison to White people, they did report that their mental health got worse. Mental health pressures – such as problems with housing, employment, and finances – also had a bigger impact on this group.

Source:- https://www.mind.org.uk/media-a/5929/the-mental-health-emergency_a4_final.pdf

More than two-thirds of adults in the UK (69%) report feeling somewhat or very worried about the effect COVID-19 is having on their life. The most common issues affecting wellbeing are worry about the future (63%), feeling stressed or anxious (56%) and feeling bored (49%).

While some degree of worry is understandably widespread, more severe mental ill health is being experienced by some groups. IFS analysis of longitudinal data from the Understanding Society study found that, taking account of pre-pandemic trajectories, mental health has worsened substantially (by 8.1% on average) as a result of the pandemic. Groups have not been equally impacted; young adults and women – groups with worse mental health pre-pandemic – have been hit hardest.

Source:- <https://www.health.org.uk/news-and-comment/blogs/emerging-evidence-on-covid-19s-impact-on-mental-health-and-health>

It is well known that access to arts and culture can be an effective tool to combat feelings of loneliness, social isolation or deteriorating Mental Health.

Pendle Leisure Trust has recently secured funding for two years through the CCG to provide Arts on Prescription to the local community, something it has done extremely successfully in the past. The Ace Centre is the ideal venue to deliver this project and the appended email of support from David Gaffney, Senior Relationship Manager for The Arts Council England, shows there is a strong desire to further invest in projects to support mental health and culture in the area (Appendix 1).

Without the Ace Centre, the cultural offering within Nelson would be severely depleted putting additional pressure on the success of The Nelson Town Deal and leaving a shortage of state of the art tailored facilities to deliver these much needed projects to improve the mental wellbeing of the town.

**The arts valuable role in mental health
is being recognised**

*"As we've noted: engaging in arts, social activities
and interaction within our communities can help
with major challenges such as ageing and loneliness.
... Besides these benefits, art engagement also
alleviates anxiety, depression and stress"*

Mental Health.org

*"Getting involved in
creative activities in
communities reduces loneliness
and supports physical and mental
health and wellbeing, sustains older
people and helps to build and
strengthen social ties."*

**Lets Create Strategy 2020-2030
The Arts Council**

*"By 2030 we want England to be a country in which
the creativity of us valued and given the chance to
flourish and where everyone has access to a remarkable
range of high quality cultural experiences"*

Vision of The Arts Council in their 2020-2030 strategy

"A Strong cultural ecosystem can drive economic, social and financial returns"

Cultural Cities Recovery

"For Nelson to lose a facility that incorporates a cinema, a Theatre as well as the bistro and different sized conference rooms would be like ripping the heart out of Nelson"

Bryan Morris
Over 50's User

"An investment in culture is an investment in our high streets. Theatres, music venues, museums and libraries are the beating hearts of their communities. They're central to the social fabric and civic pride of towns across England. As well as events and performances for audiences of all ages, they provide a raft of local amenities from bars to bookshops, helping to bring our high streets alive, providing jobs and boosting the economy.

Dr Darren Henley, Chief Executive, Arts Council England

"Publicly owned cultural properties can be strategic assets for cities and towns in driving regeneration."

Cultural Cities Recovery

6.2 Options and Opportunities

OPTION 1

Centre Reopens Under Subsidy

Pendle Leisure Trust reopens the facility and it continues to become a key location for culture and the arts in Nelson and Pendle. The Arts Council and Pendle, both now have 10 year arts, cultural and creative strategies in place covering 2020-2030. Along with the Trust's Cultural Development Manager driving the key priorities and outcomes of these strategies it allows the combination of resource and direction to really drive the arts through the local community and ensure the Ace Centre becomes a central hub for culture and the arts in Pendle.

It also enables the opportunity for bringing external funding into Pendle.

This would be achieved by exploring opportunities that came out of the consultation process such as:-

- Using the site to deliver 'This is Nelson' which is a five year Arts and Cultural programme that was one of eight projects identified within the Nelson Town Deal funding.
- Utilise some space with the ever expanding voluntary sector.
- Link to Pendle's 10 Year Arts Strategy.
- Link to 'Lets Create' which is the 10 year arts strategy by the Arts Council.
- Work with established community groups to provide more diverse events, music and activities.
- Develop the Ace Centre as a cultural hub for Nelson, Brierfield and Colne.
- Participate in the Festival of Culture programme.
- Collaborate programmes with other venues.
- Explore opportunities for funding arising from the COVID Pandemic.
- Expand the Asian events offering.
- Look at funding opportunities to make the reception area more welcoming and less corporate.
- Explore funding for Mental Health and Social Isolation Programmes.
- Looking to involve local schools in Theatre Programmes.
- Work with the Council to improve or allocate dedicated parking.
- Look at opportunities for 16 – 25 year olds who are not in education.
- Investigate the benefits of offering Arts Awards.
- Looking to expand partnerships possibly with education.
- Work with Culturpedia to expand creative ideas.
- Develop a Music Development Programme with, for example, More Music in Morecambe and link this to live events.
- Explore links with Mid Pennine Arts.
- Investigating collaborative working with Local Youth Theatre Groups.
- Pursue funding through the Cultural Development Fund.

If this is the preferred option then it must be noted that it will take at least 12 months to fully recover the business and income, if not longer. However, this option could dovetail with Option 2, therefore significantly reducing the subsidy required.

OPTION 2

Reopen the Bistro only and operate the remainder of the Centre as The Muni Theatre, Colne Operates (Building not manned full time and only opens for specific events)

The Bistro would open on current opening times, which are Monday to Friday 10.00 am to 3.00 pm. It would also be available for private hires / functions at nights and weekends if these were financially viable for the Trust.

Costings would have to be finalised however, but would provide a significant saving to the Council compared with the subsidy required for a full operation. Savings could be approximately £84,000 per year.

OPTION 3

Move other services into the Ace Centre

Services such as The Library or local educational facilities such as Nelson and Colne College could be moved into the Ace Centre, however, feasibility and demand would have to be investigated further. However, this option would mean the end of the Centre in its current form and the loss of a significant cultural asset in Nelson.

OPTION 4

Close the Centre

The Council may choose to close the Centre and therefore negate the need for a subsidy. This would also enable the Council to potentially sell the asset.

If this is the chosen course of action, then the report made by The Chief Finance Officer of Pendle Borough Council to The Policy and Resources Committee on 26 June 2018, should be considered. The report identified that the Centre had no commercial value under its current arrangement. A full copy of the report can be seen in Appendix 2.

7. CONCLUSION

The Nelson Town Deal Fund is a really exciting opportunity to regenerate and improve Nelson Town Centre. It is widely recognised that any successful high street does not rely solely on its retail offering to drive its success. Successful high streets often sit alongside a strong cultural offering. Closure of the Ace Centre would see the cultural offering within Nelson as a severe weakness in any plan to rejuvenate the area.

Throughout this review we talked to several successful venues which were identified by The Arts Council. These included The Grand, Clitheroe and Stockton Arts Centre. Both these facilities make valuable contributions to their community's cultural offering and mental health and wellbeing, however, they both, as do many other venues such as these, operate under a subsidy.

The latter of which, Stockton, in its last full year of operation pre-pandemic operated at a loss of £139,805 whilst also receiving charitable donations to the tune of £494,743.

A factor that has repeatedly been raised a problem throughout the consultations and previous customers is parking. As mentioned several lucrative booking contracts have been lost due to the lack of parking. This must be addressed if the potential of the Ace Centre is to be fully achieved.

The recent pandemic that has seen a vast increase in issues surrounding mental health and isolation, an issue that is more prominent in groups that fit the social demographic of Nelson.

Pendle Leisure Trust's new Cultural Development Manager, The Arts Council's 10 year Arts Strategy 'Let's Create' and Pendle's 10 year Arts, Culture and Creativity Strategy, means that there has never been a stronger commitment to providing a quality arts offering within the community.

The Ace Centre can be the central hub and continue to give the people of Pendle, and particularly Nelson, a diverse and strategically led arts offering at a time when the community needs it most. In essence, to make a decision to close the only cultural venue in Nelson at this time, particularly when it has been highlighted that the Centre has no commercial value, would surely be a questionable one.

LET'S CREATE STRATEGY 2020 - 2030

ARTS COUNCIL ENGLAND



ARTS, CULTURE & CREATIVITY IN PENDLE 2020 - 2030

OUR STRATEGIC PRIORITIES



8. APPENDICES

1. Arts Council Email of Support
2. Report to Pendle Borough Council Policy and Resources Committee 26 June 2018

Appendix 1

From: David Gaffney <
Sent: Monday, August 23, 2021 7:25:43 PM
To: GoodeAlison <alison.goode@pendleleisuretrust.co.uk>
Subject: RE: ACE Centre Review

Dear Alison,

It was good to meet with you to discuss the ACE centre in Nelson

As you know Nelson town and Pendle district is a high priority area for arts council as it sits within an area of low engagement and is also an area where investment from bodies such as Arts Council is relatively low.

With the above in mind, we feel there is much potential for us to work more closely with the ACE centre in the future. Our new strategy Lets Create puts people, places and creativity at the heart of our policies and as you are aware we are looking to support programmes of work across Nelson as part of the towns fund and we are also in discussion about an arts on prescription scheme for Pendle. We feel that if a delivery team were in place at the ACE centre, then applications to Arts Council could made to support elements of a new programme.

Diversity is at the heart of our future plans and we know that the ACE centre has worked closely with organisations such as Building Bridges to reach out to communities that cultural venues do not always serve as well as they could. It also is encouraging that the council have invested in a new cultural development post which will help to stimulate activity and generate new resources.

Working with our funded partners such as Spot On Rural Touring, In Situ, Super Slow Way and the Lancashire Music Hub there is much potential to explore new activities with communities in the area under our Lets Create new 10 year strategy. We are particularly interested in its connections to the wider strategic opportunities through the emerging linear park ideas, the British Textile Biennial, and the Festival of Making. We are sure that the ACE centre can play a key part in these programmes of cultural activity.

The ACE could also forge links with the digital skills project within Nelson and Colne College's building at Barrowford which will bring together other opportunities for cultural activists and creative industries helping Nelson's entrepreneurial culture to flourish and bringing with it the next generation of digital businesses

All in all we feel there are real exciting possibilities for the ACE centre and that we will be able to work with the Leisure Trust and the council to help realise them where we can.

David Gaffney
Senior Relationship Manager
Arts Council England
Manchester

REPORT OF: CHIEF FINANCIAL OFFICER

TO: POLICY AND RESOURCES COMMITTEE

DATE: 26TH JUNE 2018

Contact Details: Susan Guinness
Tel. No: 01282 661867
E-mail: susan.guinness@pendle.gov.uk

DISPOSAL OF PROPERTY INTERESTS

PURPOSE OF REPORT

1. The report considers the scope to dispose of the Council's interests in the following operational buildings:
 - Number One Market Street, Nelson
 - The ACE Centre, Nelson (first and second floors)
 - Elliott House, Nelson

The report is provided in response to a policy objective of the new political administration. The objective is to dispose of the above buildings on the open market and apply the sale proceeds to reduce the Council's external debt.

RECOMMENDATIONS

2. The Committee is asked to consider the content of this report and approve the following recommendations:
 - (a) That the Council's leasehold interest in the ACE Centre, Nelson not be disposed at the present time pending a resolution of matters linked to the current occupation of the building by Pendle Leisure Limited;
 - (b) That further detailed work be undertaken to determine the viability of disposing of the Council's interests in Number One Market Street and Elliott House, Nelson;
 - (c) Subject to (b) above, that a further report be submitted to the Committee in due course on these matters.

REASONS FOR RECOMMENDATION

3. To progress matters linked to the potential disposal of certain property interests held by the Council.

ISSUE

Background

4. During late 2016 the Council's Executive approved the acquisition of Number One Market Street, Nelson and parts of the Ace Centre, Nelson. The former was linked to a contract extension with Liberata which, amongst other matters, enabled the Council to benefit from an ongoing reduction in the unitary charge payment it made to Liberata. The intention when purchasing parts of the ACE Centre was also to generate revenue savings as a result of buying out a lease the Council was committed to until 2034, funding this with low cost borrowing from the Public Works Loan Board.
5. The above actions were formally approved by full Council and the property acquisitions were subsequently completed in April 2017 (ACE Centre) and May 2017 (Number 1 Market St). The background and context against which these decisions were taken is not repeated here as this was covered fully at the time the matters were reported to the Executive and Council. These reports are publicly available on the Council's website at www.pendle.gov.uk.
6. Grant Thornton, as the appointed auditor to the Council, also reviewed the Council's decision-making as part of their value for money assessment during their audit of the Council's accounts for 2016/17. They concluded as follows in their ISA260 report to the Accounts and Audit Committee in July 2017:

"We are satisfied that appropriate arrangements were in place to ensure proper arrangements were in place to facilitate inform(ed) decision-making for the two decisions referred to above".

7. Following a change in the political control of the Council after the elections in May 2018, the new Administration announced a number of policy objectives. One of these is to sell the Council's interests in Number One Market Street and the ACE Centre. In addition they have also requested consideration be given to disposing of Elliott House, Nelson. The overarching aim being to apply the sale proceeds from these disposals to reduce the Council's external debt. The remainder of this report outlines the considerations involved in achieving this objective.

The Council's current debt position

8. At the time of writing this report the Council had long-term debt of £18.4m comprised wholly of loans from the Public Works Loan Board at an 'average' interest rate of 3.16%. There are 16 loans with the earliest and latest repayment dates being 31/3/2020 and 31/3/2065 respectively. All loans are maturity loans meaning that repayment is made on the maturity date with only interest paid each year prior to this.
9. Under arrangements instigated by HM Treasury the premature repayment of loans can result in either discounts or premiums (i.e. penalty). Discounts arise when the interest rate on the loan being repaid is lower than current loan rate for the equivalent period and vice versa for premiums. However, premature repayment rates are subject to an additional margin by the PWLB which adversely affects the scope of, and benefits from, the early repayment of debt.
10. In late May an analysis of our premium/discount position was requested from our treasury management advisers Link Asset Services. This identified a net *premium* position of £1.7m with premiums attached to 12 of our loans (£1.9m) with the remaining four attracting discounts (£0.2m). The four loans attracting a discount include three loans taken out in May 2017 to fund the purchase of Number One Market Street. More information on these follows below.

Number 1 Market Street, Nelson

11. The Council purchased this building from Barnfield Investment Properties for a price of £3.3m excluding stamp duty. The purchase was completed on the 3rd May 2017 and the property was subject to a number of leases, the most significant of these being with Liberata. The Council obtained independent valuations before completing the purchase.
12. The purchase was funded by drawing down three loans, each of £1m, from the Public Works Loan Board at interest rates of 2.34%, 2.35% and 2.36% for maturity periods of 43,44 and 48 years respectively. The balance of the full purchase cost (including stamp duty) was funded from *prudential borrowing*. Prudential borrowing is the use of the Council's own reserves, provisions and balances to fund capital expenditure which has not been funded from other capital cash sources (e.g. grants, capital receipts, leasing, S106).
13. If the Council wishes to dispose of its interest in this building it would be necessary to secure independent valuation advice and appoint commercial property agents to oversee the disposal on its behalf. The 'value' in the asset will be determined by reference to the existing leases, the most significant of which is that between the Council and Liberata. Under this lease the current rent is subject to a reduction in 2020 at which time the Council benefits from a further saving on the unitary charge payment it makes to Libarata. Current leases for the three retail units on the ground floor generate additional rental income but two of these expire in March 2019 with the remaining one expected to end in March 2020 when a break clause can be activated.
14. Hence, if the intention to sell is confirmed in due course and the property is marketed, a sale is unlikely to be completed until some time in 2019 or possibly even 2020 subject to market conditions. In this scenario, the 'value' of the building would most likely be determined by reference to the residual lease with Liberata from 2020 to 2030 combined with whatever arrangements are in place at the time in respect of the retail units. Subject to independent valuation advice this *could* yield a sale price in the range of £2.5m - £3.0m. If these values are confirmed it is less than the Council paid to acquire the building reflecting the passage of time and potential changes in the leases associated with the building.
15. There are other considerations linked to the use and potential disposal of the building. These include:
 - Liberata do not use all parts of the building currently;
 - Pendle Leisure Trust occupy the top floor on a peppercorn rent as a consequence of their move from Colne Town Hall – what happens to them;
 - The Council uses part of the ground floor (housing needs / planning);
 - The scope to use under utilised parts of the building for council staff;
 - The extent of control / influence the Council retains if the building is sold and loss of rent income stream;
 - Market conditions and supply/demand for office accommodation in Nelson.

The ACE Centre, Nelson

16. The Council acquired a leasehold interest in the ground and first floor of the ACE Centre in April 2017 for which it paid £2.2m (excluding stamp duty) to PEARL. The intention was to fund this purchase by borrowing from the PWLB but to-date no loans have been drawn down for this purpose. The Council has in effect funded this from its own resources thus far by way of prudential borrowing as referred to in paragraph 12 above. However, the Council still retains an underlying need to borrow for this purpose but has yet to do so.

17. The purchase enabled the Council to make revenue savings, in effect, by converting annual lease payments in to lower cost borrowing. The Council sub-leases the ground and first floors to Pendle Leisure Limited at a peppercorn rent.
18. As a result of this sub-lease arrangement there is no rent passing in respect of the Council's interest in the building. As the tenant pays no rent there is no prospect of there being commercial interest should the Council seek to dispose of its interest in the building. Whilst the Council is no longer paying lease rentals to which it was committed until 2034 there is no commercial value in the property given the current arrangement.
19. The Council would need to determine its ongoing relationship with the Leisure Trust and what it proposes for their current use of the building before deciding what action to take with regard to its own interest in the building. Subject to the outcome of these considerations it may be possible to let those parts of the building 'owned' by the Council to a rent paying tenant and thereby generate a potential sales value should the Council continue with the objective of selling its interest in the building.
20. Until these matters are resolved it is recommended that the Council defers any decision on the disposal of its interest in the ACE Centre.

Elliott House, Nelson

21. This building is currently used to provide accommodation for a number of council staff, primarily within Neighbourhood Services and Housing, Health and Economic Development. Given the reduction in staffing over recent years there may be the potential to relocate staff from this building to the Town Hall and / or Number 1 Market Street (subject to considerations outlined above in this report). Indeed, this is a project that is currently being considered irrespective of the proposals in this report.
22. If this is feasible it would provide an opportunity to dispose of the building. This would yield a capital receipt for the Council and release it from the ongoing liability for maintaining the building. No discussions have taken place as to potential future uses of the building. There is a surplus of office accommodation in Nelson and yields are generally considered low. There may be little interest in the building for office purposes but this cannot be fully established without testing the market and engaging with property advisers. It would be necessary to obtain a formal valuation of the building.

Next steps?

23. The Committee is asked to consider the content of this report and advise of its intentions in respect of the three buildings outlined above. Subject to this it will be necessary to commission further advice including property and valuation advice to help make informed decisions on those properties the Committee feels should be sold by the Council. Subject to the recommendations agreed in response to this report, further work will be undertaken by officers on these matters and reported to the Committee in due course.

IMPLICATIONS

Policy

24. The disposal of these recently acquired buildings (ACE Centre and Number 1 Market Street) would represent a change of policy and require the approval of Council.

Financial

25. At this time the assumption is that the ACE Centre is not disposed of by the Council for reasons outlined above but Number 1 Market Street and Elliott House are with completion taking place on or after 1/4/20. In this scenario the financial implications are potentially significant and arise from the following factors.
- Premature repayment of PWLB loan debt, saving on interest payments;
 - Reduced level of MRP (minimum revenue provision – being the statutory charge against council tax for the principal repayment of debt);
 - The capitalised value of the leases associated with Number 1 Market St including any revisions to those for the ground floor retail units on expiry of the current leases;
 - The market value of Elliott House subject to current and any proposed change of use;
 - The level of discount or premium on the PWLB loans to be repaid as at the precise date of premature repayment;
 - Savings on the direct running costs of Elliott House;
 - Any reduction in the unitary charge payable to Liberata for the management of the Council's property interests once the buildings are disposed of;
 - Prevailing market conditions at the time of marketing and in the course of disposal;
 - Savings arising from reduced maintenance liabilities;
 - The loss of rent income to the Council, notably from Liberata.
26. There are commercial considerations to take in to account as part of this work. The Council will need to present a viable proposition to the market but in order to benefit from effective competition it is important not to disclose too much 'commercially sensitive' information in advance. Hence whilst there is more detailed information available on the above factors it is not presented in full at this time. Clearly, the market valuations (i.e. capital receipt) for each building considered for disposal together with the discount or premium arising on early repayment of PWLB loans will be the main determinants of the financial benefit to the Council. At this time an *indicative* net annual saving arising from the factors outlined in paragraph 25 above is £20k to £25k.
27. Much more detailed work is required to firm up this position and to test the reasonableness of the underlying assumptions. Fundamentally, it will also be necessary to secure expert advice in relation to the marketing and valuation of the properties. There is no approved budget provision for the engagement of external advisers should the Committee wish to explore the disposals of these buildings more fully. It would be necessary to allocate resources to this and estimates can be obtained in due course should the Committee support this.

Legal

28. There are no legal implications arising directly from this report. Subject to further consideration on these matters the potential disposals will require support from Legal Services in due course.

Risk Management

29. Disposals of the nature outlined in this report are not without risk. This stems mainly from financial and market risk. To help mitigate this risk it will be necessary to procure external advice.

Health and Safety

30. There are no health and safety implications arising directly from the contents of this report.

Climate Change

31. There are no climate change or sustainability implications arising directly from this report.

Community Safety

32. There are no community safety issues arising directly from the contents of this report.

Equality and Diversity

33. There are no equality and diversity impacts arising from this report.

APPENDICES

None.

LIST OF BACKGROUND PAPERS