

**REPORT FROM: CORPORATE DIRECTOR**

**TO: POLICY AND RESOURCES COMMITTEE**

**DATE: 17<sup>th</sup> MARCH 2022**

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## **GROUND AND FIRST FLOORS, ACE CENTRE, NELSON**

### **PURPOSE OF REPORT:**

To report on a proposal for these premises to be leased to Nelson and Colne College as a spoke base for the Town Deal Digital Skills Hub project.

### **RECOMMENDATION**

That approval be given to the negotiations continuing and to authorise the Chief Executive in consultation with the Leader to agree terms.

### **REASON FOR RECOMMENDATION**

To bring back the premises into use and to assist with the development of the Town Deal Digital Skills Hub project.

1. Councillors will recall that in the 2021/22 budget the Council decided that it could no longer afford to pay the Leisure Trust the net operating cost of the ground and first floors of the ACE Centre (the premises). As a result it has been closed for 12 months apart from its partial use as a coronavirus testing centre (which is due to terminate at the end of this month).
2. The Trust has a lease of most of the premises for 25 years less three days with just over 12 years left to run and also a lease of 10 years less 3 days of the Bistro area which has now expired and the Trust is holding over. Both are at a peppercorn rent. It is envisaged that the leases will be surrendered by the Trust to the Council at no cost to the Council.
3. One of the projects in the Nelson Town Deal is the Digital Skills Hub Academy. The Hub is to be located at Nelson and Colne College's building at Scotland Road. The project also envisages a "spoke" base in the town centre. This is likely to attract more footfall to the town.
4. The College has expressed interest in taking over the premises to use as the "spoke" base and initial discussions have taken place. The extent of the premises which they might take is a central feature of the discussions bearing in mind the various previous uses. At this stage they are looking at a 10 year lease.

5. One possibility is that the Bistro would remain with the Council and could be marketed separately as a commercial undertaking.
6. The capital investment by the College for the Town Deal project may well mean that at the end of the lease the premises are a more marketable asset for the Council. Equally in recognition of the investment the College would be seeking an initial rent free period but would be responsible for the service charge.
7. It will be apparent that discussions are at an early stage but there is urgent time pressure as the Digital Skills Hub project business case is well advanced and will shortly need to be submitted to Government.
8. The Committee is therefore requested to give approval at this stage to the negotiations continuing and to authorise the Chief Executive in consultation with the Leader to agree terms.

## **IMPLICATIONS**

**Policy:** The Council wishes to make best use of its assets.

**Financial:** These will become apparent if there is a successful negotiation.

**Legal:** Surrenders of the existing leases and a grant of a new lease would be required.

**Risk Management:** None arising directly from the report.

**Health and Safety:** None arising directly from the report.

**Sustainability:** None arising directly from the report.

**Community Safety:** None arising directly from the report.

**Equality and Diversity:** None arising directly from the report.

**APPENDICES - none**

**LIST OF BACKGROUND PAPERS - none**