

		Executive – 2 <sup>nd</sup> March 2011	Agenda Item No. <b>19</b>
<b>Title</b>		<b>Improvements to the Court House, Jury Street, Warwick</b>	
<b>For further information about this report please contact</b>		Bill Hunt Deputy Chief Executive (01926) 456014 <a href="mailto:bill.hunt@warwickdc.gov.uk">bill.hunt@warwickdc.gov.uk</a>  Joe Baconnet Interim Economic Development & Regeneration Manager (01926) 456011 <a href="mailto:Joseph.baconnet@warwickdc.gov.uk">Joseph.baconnet@warwickdc.gov.uk</a>	
<b>Service Area</b>		Development Services	
<b>Wards of the District directly affected</b>		All Warwick wards	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>		No	
<b>Date and meeting when issue was last considered and relevant minute number</b>		n/a	
<b>Background Papers</b>		Letter from the Leader of Warwick Town Council 7/2/11 Bid and background papers for Warwick Town Council application to the Heritage Lottery Fund	
<b>Contrary to the policy framework:</b>			No
<b>Contrary to the budgetary framework:</b>			No
<b>Key Decision?</b>			Yes
<b>Included within the Forward Plan? (If yes include reference number)</b>			No
<b>Officer/Councillor Approval</b>			
With regard to officer approval all reports <u>must</u> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).			
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>	
Relevant Director	Author	Bill Hunt	
Chief Executive	18/2/11	Chris Elliott	
CMT	18/2/11	Chris Elliott, Andrew Jones	
Section 151 Officer	18/2/11	Mike Snow	
Legal			
Finance	18/2/11	Mike Snow, Jenny Clayton	
Portfolio Holder(s)	18/2/11	Cllr. Doody and Hammon	
<b>Consultation Undertaken</b>			
<b>Final Decision?</b>			Yes
<b>Suggested next steps (if not final decision please set out below)</b>			

## **1. SUMMARY**

- 1.1 This report relates to a request for financial and other support received from Warwick Town Council in relation to planned improvements to the Court House building in Jury Street.

## **2. RECOMMENDATIONS**

- 2.1 That Executive approves an award of £60,000 to Warwick Town Council as a contribution towards the elements of the planned improvements works to the Court House in Jury Street that are not eligible for grant funding from the Heritage Lottery Fund, subject to final confirmation of the award of that grant.
- 2.2 That Executive approves the transfer to Warwick Town Council of the land and buildings currently housing the closed WC block in Castle Street, abutting the Pageant House gardens, at nil consideration..
- 2.3 That Executive approves the granting of a 15 year lease at nil rental consideration, but full service charge consideration, for use of the former cash office in Pageant House by the Town Council.
- 2.4 That, subject to approval of 2.1 above, Executive agrees that the £60,000 grant is funded from the £57,300 unused balance currently remaining in the Warwick Renaissance budget, supplemented by £2,700 from the 2010/11 Tourism Budget, with the latter amount slipped to 2011/12, and the 2011/12 budgets appropriately updated.

## **3. REASONS FOR THE RECOMMENDATION**

- 3.1 The Leader of Warwick Town Council (WTC) has recently approached the District Council to request financial assistance towards its ambitious plans to improve the old Court House in Jury Street, Warwick. This is a largely HLF funded scheme and provides for structural conservation and restoration work to the Court House to allow relocation of the Tourist Information Centre (TIC) and development of interpretive displays and materials relating to the 'Story of Warwick' and the Warwickshire Yeomanry, whose museum is located in the basement of the Court House. As such it is a key proposal for the re-invigoration of Warwick Town Centre with which this Council is seeking to support along with the Town and County Councils and other partners. The limited tourist information facilities have been a long identified issue for the town which need to be addressed if the tourism sector is to continue to thrive.
- 3.2 WTC has been successful in an application to the Heritage Lottery Fund (HLF) for financial assistance for the planned works. Although subject to final, formal confirmation, it appears that £291,000 of HLF funding will be awarded, on the basis of a further £72,000 of match funding being provided by WTC.
- 3.3 However, to successfully complete the scheme WTC estimate that a further c£175,000 will need to be spent on works that are ineligible for HLF funding. These works include a new access and lift to make the building compliant with Disability Discrimination Act provisions and further refurbishments, including provision of a new kitchen, to the ballroom and other upstairs rooms, to facilitate increased usage by the community.

- 3.4 It is anticipated final confirmation of the HLF funding will be made in late summer/early autumn 2011 and therefore recommended that the award of the proposed £60,000 contribution is conditional on that confirmation.
- 3.5 In order to complete the package of works WTC are requesting the transfer of the land and buildings, indicated by the hatched area on the plan attached at Appendix One, at nil consideration.
- 3.6 The buildings in question are the former public WCs that have been disused for approximately 15 years. WTC currently rents the disused toilet block from WDC, but is now seeking the land transfer as they intend to refurbish the buildings and utilise them for storage as a replacement for provision that will be lost within the Court House when the planned works are undertaken.
- 3.7 Transfer of the land will also facilitate a wider discussion, as part of the on-going development of a sub-regional tourism offer and closer co-operation between local councils, of the potential to use the buildings to facilitate the development of an electronic display for tourists. Whilst this would be subject to further discussions on funding and to appropriate planning and conservation consents, any such out of hours display would enhance the tourism offer within the town by increasing the reach of the Tourist Information Centre beyond it's physical operating hours.
- 3.8 The proposed transfer of land was considered by the Strategic Asset Group on 25 February 2011. A verbal update on its views will be presented to the meeting.
- 3.9 In order to make the best use of the internal space within the Court House WTC has requested that its 'back office' functions (for example, the offices of the Town Clerk, Mayor's secretary etc) be relocated into Pageant House into the former cash office which has been empty since February 2008 . This move would allow for more of the space within the Court House to be used for the functions for which the HLF has awarded grant funding, i.e. tourist information and an interpretation of the history of Warwick.
- 3.10 WTC has indicated they are willing to pay a service charge (including business rates) for the use of the office space in Pageant House on a 10 to 15 year lease. However, they have indicated they would be unable to also pay a rent for the accommodation as this would exacerbate their financial situation, already under pressure due to their need to part-fund the proposed works.
- 3.11 A lease of 10 to 15 years, with appropriate breaks would allow for flexibility of future use of the Pageant House property. The use of the unused office space, and the proposed works to the Court House, are likely to significantly assist the planning of potential further development of the use of Pageant House, for example, as an enterprise & innovation centre. Any future options for alternative use would be subject to the development of a business case which would be presented to a future Executive.
- 3.12 The proposed lease of the former cash office within Pageant House was also considered by the Strategic Asset Group and again a verbal update on its views will be presented to the meeting.

#### **4. ALTERNATIVE OPTION CONSIDERED**

- 4.1 Members could choose not to support the Town Council's proposed works to the Court House. The Town Clerk has advised that in such a scenario the Town Council would have insufficient reserves to finance the full package of works. This would mean that either some of the planned package of works would have to be cancelled or that WTC would have to borrow the amount of the shortfall from elsewhere, probably the commercial sector.
- 4.2 Members could choose not to transfer the land at all, or to do so on a leasehold arrangement. The impact of the former would impact significantly on the storage capacity of the Town Council. The latter is feasible but WTC would prefer the transfer of ownership given their intention to fully fund the upgrade of the buildings to allow for their use as storage for sensitive items.
- 4.3 Members could request a financial consideration for the land transfer. This has been discounted as it would add to the shortfall on the proposed works that WTC is seeking to cover.
- 4.4 Members could also opt not to offer use of any of the unused office space within Pageant House to WTC. This has been discounted as it would require the back office functions that would otherwise be relocated to be housed within the refurbished Court House, reducing the amount of space for heritage interpretation, tourist information and income generating activities, and significantly compromising the proposed scheme which then not be capable of fulfilling its intended purpose.

#### **5. BUDGETARY FRAMEWORK**

- 5.1 The total cost of the proposed scheme for the Court House works is estimated as £538,000, although WTC accept that the total cost may rise beyond this.
- 5.2 Of this total £362,626 comprises works to deliver the main HLF funded scheme and provides for structural conservation and restoration work to the Court House to allow relocation of the TIC and development of interpretive displays and materials relating to the 'Story of Warwick' and the Warwickshire Yeomanry, whose museum is located in the basement of the Court House.
- 5.3 HLF have indicated that, subject to the final application determination process, they have ring-fenced £291,300 towards this element of the scheme. The shortfall of c£71,626 would be met by WTC from their reserves.
- 5.4 In addition to this element of the scheme concurrent work, at an estimated cost of £175,000 is also proposed. These works would ensure DDA compliance and refurbishments to support enhanced public use of the building. The proposed £60,000 WDC grant would be towards this element of the work with the remaining £115,000 being met by WTC.
- 5.5 WTC has agreed that any funding shortfall on those elements of the scheme that they can not fund from reserves would be met through borrowing. WTC reserves currently are in excess of £100,000.
- 5.6 It is therefore proposed that the total estimated costs of the scheme would be funded through contributions from each party of the following basis:

HLF £291,000  
WTC £246,626  
WDC £60,000

- 5.7 It is anticipated that any increase above the estimated costs would need to be met by WTC.
- 5.8 Within this Council's budget estimates there is still £57,300 in respect of Warwick Renaissance. The original scheme that was agreed by members will not now progress and as no alternative scheme is currently proposed it would be appropriate for this budget to be used to fund the proposed WDC contribution towards the cost of the Court House scheme. If and when any new scheme is proposed in place of Warwick Renaissance this would be subject to a new request to be considered by members.
- 5.9 The balance of the Court House contribution, £2,700, would be met out of the 2010/11 Tourism revenue budget. It is proposed that this amount would be slipped to 2011/12, in line with the £57,300 contribution from the Warwick Renaissance budget which has already been slipped to 2011/12 as agreed within the February 2011 Budget report.
- 5.10 The current rental income, received from WTC in respect of the former toilet buildings is £475 per annum. Whilst this income would no longer be available were the proposed land transfer to be approved this would be offset in full by the proposed service charge payments payable by WTC for the leasehold use of part of Pageant House.
- 5.11 The former cash office within Pageant House has been vacant since February 2008 with the Council having been unable to secure a suitable tenant since the end of the lease in February 2010. The estimated rental value for this area is £5,000 per annum. The total running costs of Pageant House were £75,000 in 2009/10 (including £29,000 planned maintenance); for 2010/11, the costs are likely to be in excess of £40,000. With WTC paying a service charge for the use of the former cash office, the Council will be getting a contribution towards these costs. The service charge should recover around £3,250 per annum or approximately 8% of the total costs.

## 6. **POLICY FRAMEWORK**

- 6.1 The Council's Vision, that guides all its actions, is: Warwick District – a great place to live, work and visit.
- 6.2 The strengthening and development of both the local and sub-regional economy is an integral part of the delivery of the Vision and this includes the management of the visitor economy and provision of visitor information.
- 6.3 The planned improvements to the old Court House will facilitate greater public use of the historic building and its gardens to the benefit of both the environment and economy of Warwick.
- 6.4 In 2008 the Council launched an initiative aimed at re-invigorating Warwick town centre, in partnership with WTC, the County Council, the local civic society and the Chamber of Trade. The partnership work will support the development of a formal

Area Action Plan which will form part of the future planning framework for the town and work to date has focused on preparing proposals for a public consultation on the future development of the town centre without compromising the unique historical environment.

- 6.5 The partnership approach supports other initiatives aimed at improving the quality of life for residents and visitors to Warwick. These include the on-going improvements to St Nicholas Park and the town centre management and promotion work.
- 6.6 The proposed improvements to the Court House are therefore consistent with the strategic approach of ensuring Warwick town centre remains vital and vibrant and will maximise the benefits of the other work since they will enhance WTC's ability to promote tourism and provide information to visitors about the town as a whole.