

**REPORT TO:** Executive Board

**DATE:** 5<sup>th</sup>. June 2008

**REPORTING OFFICER:** Strategic Director Corporate & Policy

**SUBJECT:** Queens Hall Studio Lacey Street Widnes

**WARDS:** Riverside

## **1.0 PURPOSE OF THE REPORT**

1.1 To approve the entering into legal commitments on the Queen's Hall Studio including disposal of the freehold at nil consideration to Loose Music

## **2.0 RECOMMENDATION: That**

- (1) The Council supports the project to bring The Queen's Hall Studio, Widnes, into public and community use as a Community Centre for Cultural Activities including Live Music within Use Class D2 and will commit resources towards that project in line with the terms of a joint working agreement and agreement for lease.**
- (2) Under the power granted to the Chief Executive by Article 17.01(c) of the Constitution, and having consulted the Leader and Deputy Leader, his amendment to the articles of the constitution in relation only to the proposal by Loose Music or any entity emerging from Loose Music to refurbish the Queen's Hall Studio as a music studio ('the Proposal') be endorsed. This amendment is to add to 'Article 14 - Decision Making' a delegated power (as Article 14.09) which empowers him to authorise any Council officer to enter into legal commitments on behalf of the Council in relation to Loose Music's proposal to refurbish the Queen's Hall Studio as a music studio.**
- (3) Approval be delegated to the Strategic Director Corporate and Policy in consultation with the Corporate Services Portfolio Holder, to enter into legal commitments including the disposal of the freehold interest in the Queens Hall Studio to the Loose Music Collective at nil consideration.**

## **3.0 SUPPORTING INFORMATION**

3.1 The Executive Board Sub Committee at its meeting of 22 June 2006 granted an exclusivity agreement to Loose Music to enable them to put

together a package to develop a music and arts education and entertainment project at the Queens Hall Studio (ES9).

- 3.2 It should be noted that the Studio is quite distinct from the Queen's Hall. Originally two separate buildings they were latterly joined by a link extension. This report refers solely to the Studio and does not include either the link or the Queen's Hall itself. The Studio is considered here as a stand alone facility.
- 3.3 Loose Music has brought forward a development proposals culminating in them being granted a Community Asset Fund (CAF) Grant of £602,055 to develop a community music and performance facility.
- 3.4 The parties, acting on a partnering basis, wish to bring The Queen's Hall Studio into public and community use as a music studio namely as a Community Centre for Cultural Activities including Live Music within Class D2 and to provide more opportunities to the community "to achieve and enjoy" and to make provision for facilities and opportunities for Young People against the background of the Government's document 'Every Child Matters' and of the Council's policy on provision for Young People in Halton.
- 3.5 In July 2007 the District Valuer was asked to consider the Capital Value of a long lease on the property. The District Valuer's opinion was that, had the building been in good order, its value would have been £238,000 but in view of the capital investment required to put the building in good order of in excess of £600,000 it clearly has a negative value. The DV therefore recommended that the Council could consider disposing of the property for a nominal amount.
- 3.6 Loose Music's proposal will need statutory consents and permissions for various elements. The lease will therefore be conditional on Loose securing all of the permissions necessary to allow them to deliver the project as set out in their development plan.
- 3.7 It should also be noted that there is a restrictive covenant on the property stating it 'shall be used as a school, dwelling house, or shop', but this was breached for over 40 years when the building was used as a factory prior to its association with the Queen's Hall. Loose were made aware of this prior to the submission of their CAF bid and Halton Borough Council will require them to take out indemnity insurance against the unlikely event of the covenant being enforced.
- 3.8 In order to progress and secure the offer of Community Asset Grant funding, it was necessary to enter into an agreement with Loose Music by 25<sup>th</sup>. April 2008 regarding the acquisition of the building. It was not possible to report this to a meeting of the Executive Board within the time available. The Chief Executive therefore, under the power granted to him under Article 17.01(c) of the Constitution, and having consulted the Leader and Deputy Leader, amended the Articles of the

Constitution on this occasion and in relation only to the proposal by Loose Music or any entity emerging from Loose Music to refurbish the Queen's Hall Studio as a music studio. This amendment was to add to 'Article 14 - Decision Making' a delegated power (as Article 14.10) which empowered him on behalf of the Council to authorise any Council officer to enter into legal commitments including disposal of freehold at nil consideration to Loose Music or any entity emerging from Loose Music in relation to Loose Music's proposal to refurbish the Queen's Hall Studio as a music studio. He thereby authorised the Strategic Director Corporate and Policy and the Strategic Director Environment and their subordinate officers to enter into legal commitments including disposal of the freehold of the Queen's Hall Studio at nil consideration to Loose Music or any entity emerging from Loose Music in relation to Loose Music's proposal to refurbish the Queen's Hall Studio as a music studio ('the Proposal'). Such disposal is to be subject to claw-back provisions in the event that the land is used for purposes other than as a music studio.

3.9 The amendment to the Constitution (new 14.10) was made and this additional delegated power exercised by the Chief Executive having regard to:-

- 3.9.1 the urgency of the situation namely the pressing need for a decision on the Council's legal commitment to the Proposal.
- 3.9.2 the social, environmental and economic benefits for Halton of the Proposal.
- 3.9.3 the extent to which the Proposal furthers the Aims and Objectives and Vision of the Council.
- 3.9.4 the extent to which the Proposal furthers the Council's key priority areas.
- 3.9.5. the need for an early decision if critical external funding from the Big Lottery Fund is not to be jeopardised.
- 3.9.6 an assessment of the benefits, risks and the management of those risks in relation to the Council's legal duties and the Council's and the community's interests in the Proposal.
- 3.9.7 the Council's legal duties in respect of its assets.
- 3.9.8 the existing partnering agreement between the Council and Loose Music in relation to the Proposal.

3.10 The Executive Board is therefore notified of this decision and is requested to endorse it.

3.11 In considering whether a lease or freehold disposal would best suit the Council, it should be considered that :

- a) a freehold disposal eliminates the Council's future responsibilities as landlord;
- b) The Council is already being required to make a small match funding contribution to support Loose's project and if it remains a Council building further calls on the Council could be made;
- c) A lease would make no difference in income to the Council;

- d) A sale would enable us to ensure the main building has no connection in any way with the Studio in a physical or legal sense;
- e) A freehold transfer can still have claw-back when it is sold if Loose can make a profit;
- f) Should Loose want to carry out any alterations with a lease they would need landlord's permission which will involve time and cost with no recovery;
- g) Following a freehold disposal, should Loose go into administration and the Lottery decline to take building on, Halton Borough Council would have no liability;
- h) As landlord to leased premises complaints could end up coming back to Halton Borough Council with requests to terminate the lease which would be extremely difficult with external funding in place.

3.12 With there being no added benefits to the Council in retaining the freehold of the Studio, it is therefore recommended that it be disposed of to Loose Music at nil consideration.

#### **4.0 POLICY IMPLICATIONS**

4.1 The development impedes but does not prevent the full development of the Queen's Hall and surrounding area. However, the size of any future development site around the Studio will as a consequence be smaller and, as a result, diminished in value.

#### **5.0 OTHER IMPLICATIONS**

5.1 The proposal provides a use for a building which otherwise has no viable future while at the same time saving the Council the cost of demolition.

5.2 The site is likely to attract additional foot and vehicle traffic to the area but to a lesser extent than when the Queen's Hall was in full use. Any other potential impacts on the surrounding environment will be managed through statutory processes, e.g. planning, building control and licensing.

#### **6.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **6.1 Children and Young People in Halton**

It will provides a venue for community activities for younger people

##### **6.2 Employment, Learning and Skills in Halton**

Users of the venue will be learning new musical skills

##### **6.3 A Healthy Halton**

No implications

##### **6.4 A Safer Halton**

No implications

### **6.3 Halton's Urban Renewal**

The proposal brings into use a vacant building

## **7.0 RISK ANALYSIS**

7.1 Should Loose Music be unable to secure all the necessary permissions and approvals then the project will not succeed. The provisions of the lease/sale would ensure that the building revert to the authority. This is a Medium risk.

7.2 Should Loose Music not comply fully with the terms of the Community Asset Funding once construction has started nor complete the project to the CAF's satisfaction, the building will revert to the CAF. This risk is seen as Medium to High.

## **8.0 EQUALITY AND DIVERSITY ISSUES**

Nil

## **( 9.0 LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

**Document**

**Place of Inspection**

**Contact Officer**