

Leicester
City Council

**WARDS AFFECTED:
CASTLE WARD**

ARTS, LEISURE AND ENVIRONMENT SCRUTINY COMMITTEE	21 NOVEMBER 2001
FINANCE, RESOURCES AND EQUAL OPPORTUNITIES SCRUTINY COMMITTEE	22 NOVEMBER 2001
CABINET	3 DECEMBER 2001

CITY ROOMS

Joint report of the Director of Arts and Leisure and the Director of Environment, Development and Commercial Services

1. Purpose of Report

This report outlines the options that have been considered with regard to the City Rooms and seeks approval to the long leasehold disposal of this property enabling private finance to be introduced.

2. Summary

2.1 The City Rooms is a Grade I listed building of special architectural and historical significance to the City of Leicester.

2.2 The City Rooms has recently been a component part of the Arts and Entertainment themed Best Value Review. Within this context it was determined that further consideration as to its future and potential usage was required and a Public Consultation meeting has now been held to assist in this process.

2.3 Additionally, a number of options have been considered with regard to the future usage of the City Rooms and consultations have taken place with English Heritage, the Georgian Society, other Local Authorities and Heritage Lottery Fund to consider potential uses, funding sources and possible alterations to the building.

3. Recommendations

Cabinet Members are recommended to note:-

3.1 the options that have been explored with regard to the future usage of the City Rooms.

- 3.2 to agree that the City Rooms is marketed, as referred to in the report, with a view to a disposal on a long leasehold basis thereby attracting inward investment to secure its future.
- 3.3 following the marketing exercise a further report is submitted on the outcome and interest received.

4. Financial, Legal and Other Implications

- 4.1 The disposal of this property on a long leasehold will enable better control and enforcement of any covenants to be imposed on this historic building.
- 4.2 It is difficult to assess value and careful marketing will have to be undertaken but a condition of the disposal will be that the outstanding repairs are carried out. The cost of these repairs is presently estimated at approximately £500,000.
- 4.3 At present running costs are as follows:

Staff costs – 1999/2000 - £43,127.00
2000/2001 - £43,186.00

Premises costs (including gas, electricity, repairs and maintenance and building cleaning)

1999/2000 - £26,425.00
2000/2001 - £28,764.00

Income - 1999/2000 - £69,000.
Income - 2000/2001 - £74,081.

The net budget provision for 2001/2002 is £27,400 including £58,900 income.

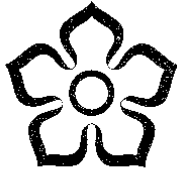
If the building is retained, an expansion of services to increase income would be required. However, allied to this is a need for further capital investment (approximately £500,000) for which there is no current provision in the capital programme.

5. Report Author:

Jeannette Franklin
Investment and Development
Extn. 5089

Mike Candler
Arts & Leisure Department
Extn. 8916

Michael Gallagher, Director of Arts & Leisure
Peter Connolly, Director of Environment, Development and Commercial Services



Leicester
City Council

**WARDS AFFECTED:
CASTLE WARD**

ARTS, LEISURE AND ENVIRONMENT SCRUTINY COMMITTEE	21 NOVEMBER 2001
FINANCE, RESOURCES AND EQUAL OPPORTUNITIES SCRUTINY COMMITTEE	22 NOVEMBER 2001
CABINET	3 DECEMBER 2001

CITY ROOMS

Joint report of the Director of Arts and Leisure and the Director of Environment, Development and Commercial Services

SUPPORTING INFORMATION

1. Report

1.1 Introduction

The City Rooms is a Grade I listed building of special architectural and historical significance to the City and the best example of Georgian Architecture in the City. Of all listings nation-wide, only 2% are Grade I and in Leicester, apart from churches, Ruins and Ancient Monuments, only two other buildings, the Guildhall and Castle Hall, are Grade I. The building comprises accommodation on four levels, full usage of the accommodation, owing to the current state of disrepair, is not possible. A significant capital investment is required to bring the ground and the first floor accommodation (first floor Ballroom) up to a standard to meet the requirements of licensing legislation, health and safety regulations and the requirements of the Disability Discrimination Act.

1.2 Management & Usage

The accommodation is currently managed by the Arts & Leisure Department through the Arts & Cultural Services section. Essentially, it is managed as a hiring facility, usage averages six days a week throughout the year. The range of uses include:

- hire of space by City Council Departments, hosting a range of meetings with internal and external partners.
- hire of space by local societies, agencies and organisations. This usage includes the staging of society exhibitions, regular society meetings, market research etc.

- hire of space by members of the public for wedding receptions, parties etc.
- hire of space by the Lord Mayor for both civic and fund-raising activities.
- hire of space, primarily ground floor, by local traders, for sales such as records, books, and knitwear.
- Location of Leicester Comedy Festival offices.

1.3 Public Meeting

- 1.3.1 An Open Public Meeting was held on the 1st March to provide an opportunity for members of the public, societies, hirers of the City Rooms and other interested parties to contribute their views and thoughts on the future usage of the City Rooms. The public meeting was facilitated by the Head of Arts & Cultural Services and approximately 70 people attended. The meeting was lively and, at times, those participating spoke with passion and concern over the future of the City Rooms. A range of views and proposals, at times conflicting, for its future usage were put forward.
- 1.3.2 A suggestion was made at the public meeting that the City Rooms could be used as a replacement venue for the Registration Offices. The premises have been considered for this purpose, but are unsuitable for a number of reasons. Firstly, because there is inadequate space within the building for all the Registration functions. In addition to the need for three Wedding Rooms of varying size, twelve Registrars offices, clerical/admin offices, records store and public waiting facilities are required. Secondly, the vehicular access is inadequate both for wedding cars and persons visiting with mobility difficulties.
- 1.3.3 If, however, the issue of disabled access could be addressed by a future occupier, the City Rooms could be licenced as approved premises for the conduct of civil weddings.
- 1.3.4 Other uses suggested were wide ranging, including the creation of a 'trust' (yet to be constituted) to manage the building. No progress has yet been made in establishing this 'trust' but Members will be updated at the meeting if further information is available. Other suggestions included a venue for ballroom dancing, the teaching of dance, exhibitions of expertise that is available within the city, seminars on skills shortages, folk museum, exhibition space for aerial photos of the history of Leicester, as a tourist/research attraction, themed uses (such as a Cadbury weekend), tourist information centre. These uses have been explored and considered unsuitable for several reasons but mainly because most involve considerable capital expenditure by the Council in order to get the building into useable repair and then there are also revenue implications due to the low income these activities are likely to produce.
- 1.3.5 Concerns raised at the Open Meeting included the potential loss of the building as a hiring/exhibition venue for numerous groups and societies; the possible disposal of a building of such importance to Leicestershire, and therefore leaving the public domain and the possibility of this building being closed.

The recommendations in the report seek to address these concerns by ensuring that the building would remain in the public domain but would enable the levering in of external private and possibly other public sector finance, as well as provide an opportunity for investment in the City.

The recommendations also propose a two-stage process in order that concerns can be addressed and also ensure that works are carried out to secure the future of the building.

In an ideal world it would be desirable if all such buildings could be publicly maintained but, given the Council's limited resources, in this instance it has been decided to concentrate on refurbishing the Town Hall and bringing that building back into use.

1.4 Repairs

1.4.1 A building survey has recently been carried out and repairs in the region of £500,000 (including fees) are now required,* (in addition the installation of a lift would cost a further £100,000). The report outlining the general overall condition of the building and proposed repairs is available for inspection in the Members area. The survey has highlighted the following elements of the building as being of particular concern:-

- The safety of the electrical wiring.
- The long term stability of the roof structure. It is recommended that work should commence within the next five years to strengthen the weak areas.
- The stability of the Ballroom ceiling is uncertain and work should also commence on this element of the building in the next five years.
- The efficiency of the heating system.

*This figure does not include the cost of constructing disabled access (ramps, lifts etc.) and increasing the usage by providing means of escape in case of fire.

1.4.2 Overall the building is in fair condition only. At present, essential repairs only are being carried out as and when required, but in order to maintain its long-term integrity and to bring the building back into full use, including disabled access, considerable repairs and refurbishment are required.

1.5 Options

Various options for the use of the City Rooms and likely sources of funding have been explored. The results of these enquiries can be outlined as follows:-

1.5.1 The Georgian Society has inspected the building and is able to offer advice on how work should be carried out. It is unable to assist with any funding for repairs or disabled access works apart from minor works to ensure authenticity with the Georgian era. It considers its existing use for meetings and functions is the most appropriate use for the building.

1.5.2 English Heritage has also inspected the building and is available as a consultory body but is unable to offer any funding at the present time, to assist with repairs or disabled access works. Discussions that have taken place with English Heritage regarding potential uses have to date, proved disappointing. Its initial suggestions are wine bar, coffee bar, etc. but certainly no internal alterations will be allowed.

- 1.5.3 Heritage Lottery Fund – an application for grant funding from this body has been considered but any grant received would have to be on a partnership basis with the City Council paying, a minimum, of 25% of the costs of any works required plus provide a business plan for sustained use including revenue implications. No appropriate use by the City Council has been identified to enable this option to be progressed.
 - 1.5.4 The property has been included on the property list of the Society for the Protection of Ancient Buildings. Members of this group are usually individuals or companies with a particular interest in this type of building. To date no interest has been received in respect of the City Rooms.
 - 1.5.5 Other Local Authorities have also been contacted with regard to their use of similar buildings and these are either running at a loss or have been disposed of. In the case of a very similar building in York, (Assembly Rooms) the property was let on a long lease to Ask Restaurants with special conditions to ensure public access.
 - 1.5.6 No funding is currently available for repairs to the City Rooms either through European Funding or any other funding groups.
 - 1.5.7 If the building is retained in order to intensify its use, capital investment in excess of £500,000 will be required. There is no current provision in the capital programme for such expenditure.
 - 1.5.8 There may be potential for the use of the premises as a Restaurant, Club/Casino use or specialist retailer but, until such time as the property is given full exposure to the market, the nature and extent of potential occupiers cannot be fully assessed. If the property is marketed on a long leasehold basis this will attract investment to the building and should secure its future.
 - 1.5.9 The possibility of the building being utilised to house the City's Records Office, which is presently situated in Wigston, has also been considered. However, as this building cannot be extended or altered in order to create a controlled environment that is suitable to house the Records Office, it is considered such a use would not be appropriate.
 - 1.5.10 The Bardi orchestra has inspected the building as a potential rehearsal location but due to the acoustics of the building, it is unsuitable for such a purpose.
 - 1.5.11 No other Council department has expressed an interest in making use of this building.
- 1.6 Cabinet Members will note that although the building is in use, these activities do not produce enough revenue to sustain the building due to its listing and some of the uses do not reflect the quality of the building. Also, given the constraints around development of the building, it is not clear whether a commercial operation, as outlined in 1.5.8, would result in all of the building

being brought back into use. This is a factor which must be borne in mind, even in the event of a disposal. However, on balance and in the circumstances, I am recommending that disposal is by way of a long lease, i.e. 125 years either at an annual rental or by way of the payment of a premium. Such a leasehold disposal should enable better control and enforcement of the covenants to be imposed on this important historic building and would lever in private finance. The marketing would be by way of a 2-stage exercise. The first stage identifying expressions of interest and the second stage will require detailed submissions. The successful bidder would then be invited to enter into an agreement for Lease enabling the building to be satisfactorily refurbished prior to the grant of the long lease. This is a similar basis to that undertaken for the nearby Corn Exchange which successfully brought that building back into use. A disposal on this basis will enable the Council to impose any restrictions on use at the outset. Full consultation will be undertaken with English Heritage and Victorian and Georgian Groups.

- 1.7 A full marketing exercise will need to be carried out and any brief for disposal will be drawn up in conjunction with English Heritage.
- 1.8 Prior to marketing, the property issues surrounding the Lord Mayors' use and staffing will have to be addressed and resolved, although the Lord Mayors office has been fully briefed regarding this proposal.
- 1.9 It is with a sense of regret that I have to inform Cabinet Members that a building of such significance to the heritage of Leicester, cannot be wholly maintained by and kept in the management of the City Council for its own purposes. However, this proposal to let the property on a long lease will be a mechanism for sustaining the property and ensuring the building is put into a state of repair for the benefit of future generations.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications

If the building is retained, an expansion of services to increase income would be required. However, there would also need to be, allied to this, a need for further capital investment (approximately £500,000) for which there is no current provision in the capital programme.

2. Legal Implications

The disposal of this property by way of agreement to lease followed by a long lease, rather than a freehold disposal, will enable better control and enforcement of the covenants to be imposed on the building.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within report	References
Equal Opportunities	YES	1.3.2, 1.3.3, 1.4.1, 1.4.2, 1.5.2,	
Policy	NO		
Sustainable and Environmental	YES	1.6, 1.9	
Crime and Disorder	NO		
Human Rights Act	NO		

4. Background Papers – Local Government Act (Access to Information) 1985

Held on file no. 434/2 in Property Services.

5. Consultations

Planning (Development Control)
Finance (Environment and Development)
Legal Services (Town Clerks)

6. Report Author

J Franklin
Investment and Development
Extn. 5089

Mike Candler
Arts & Leisure Department
Extn. 8916

Michael Gallagher, Director of Arts & Leisure
Peter Connolly, Director of Environment, Development and Commercial Services

**Comments made at Arts, Leisure and Environment Scrutiny Committee –
21 November 2001**

The Committee supported the approach recommended by the officers as the most appropriate for the future of the building whilst ensuring its ultimate retention by the City Council and endorsed the recommendations within the report.

**Comments made at Finance, Resources and Equal Opportunities Scrutiny
Committee – 22 November 2001**

Some discussion took place concerning potential sources of funding for the repairs required to the property and the reason why the Council is unable to fund such works itself, even if spread over a number of years.

The Committee endorsed the recommendations within the report.