

CABINET

19 MAY 2004

WINCHESTER CULTURAL CENTRE – CITY COUNCIL PARTICIPATION

REPORT OF DIRECTOR OF COMMUNITY SERVICES

Contact Officer: Steve Tilbury Tel No: 01962 848292

RECENT REFERENCES:

None

EXECUTIVE SUMMARY:

Over the last few months discussions have taken place between the City Council and the County Council to test how the refurbishment of the Jewry Street library in Winchester might provide a new lending and reference facility more suited to the needs and expectations of the area. There is an opportunity for the City Council to make possible the creation of a larger and more extensive cultural centre which will transform the library itself, provide additional cultural services including an art gallery, museums exhibition space and opportunities for education and learning. If this is to be achieved the City Council must consider both a substantial financial contribution and making available part of the car park around the library building. The report considers the issues raised and recommends that the City Council does become a partner in the project.

RECOMMENDATIONS:

It is recommended to Council that, subject to the matter not being called in by Principal Scrutiny Committee:

- 1 the principle of the development of a cultural centre at Jewry Street, Winchester in accordance with the principles set out in the report be endorsed;
- 2 the land at Jewry Street within the area as shown on the plan edged in a bold black line in Appendix 2 be disposed of to the County Council at nil consideration subject to the laying out of no less than 45 car park spaces on land retained and operated by City Council the cost of which is to be met by the County Council from within the cultural centre project;

- 3 a restrictive covenant be placed on the land restricting its use to cultural centre purposes;
- 4 a capital contribution not exceeding £1million to be paid as a grant to the County Council, subject to total expenditure of not less than £7million on the design and construction of the new cultural centre;
- 5 the provision of the disposal of the land and the capital contribution be subject to the County Council including within the completed project those facilities shown in the plans attached to the report including, amongst other things: full access for disabled people, replacement public conveniences, the provision of an art gallery suitable to house the Dannatt Bequest and a museums exhibition space (with ancillary accommodation) which shall be programmed by the City Council's Museums Service as an effective replacement for the existing exhibition facility at Hyde Historic Resources Centre.
- 6 any costs exceeding £7million be met by the County Council to ensure the provision of the building as planned.
- 7 the contribution of the City Council to the cost of the project centre be properly recognised in the programming, marketing and promotion of the cultural centre;
- 8 whilst the City Council recognises the County Council's management responsibilities for the operation of the centre, in recognition of the City Council's partnership in the project, formal provision be made for regular liaison between officers and Members of both authorities to discuss matters of mutual interest in relation to the centre;
- 9 that a further report be made to Cabinet in due course on the outcome of further discussions with the County Council so that it can approve the detailed terms and conditions for the scheme to proceed.

CABINET19 MAY 2004WINCHESTER CULTURAL CENTRE – CITY COUNCIL PARTICIPATIONREPORT OF DIRECTOR OF COMMUNITY SERVICESDETAIL:1 Introduction

- 1.1 The County Council has been considering the future of library provision in Winchester for some years. The lending library in Jewry Street, although housed in a fine building, has become somewhat shabby and fails to make best use of the available space. The reference library building on North Walls has developed severe structural defects and is in urgent need of replacement. The County Council has long considered the best option is to merge these two libraries into single premises within the town centre.
- 1.2 At national level there has been a major debate about the future shape of library provision across the country. Book borrowing has declined and many libraries have failed to attract younger people who may then go on to be part of a book borrowing culture. New (and not so new) technologies have created different approaches to learning and finding information which libraries have not yet fully adapted to. The recent report by Libri, a charity which promoted libraries, published in April 2004, paints a bleak picture of the future unless there is investment in the fabric of libraries as well as the material they have to offer. Hampshire County Council has addressed this concern with its approach to providing innovative new and refurbished library provision, following the example of projects in London, Kent and the Forum in Norwich. The approach being rolled out is to provide libraries which have a core of quality book lending but which are also access points for information and learning in a variety of other forms. The first such project is underway in Gosport.
- 1.3 The County Council has a longstanding commitment to create in Winchester its flagship library project and it first proposed to do this by building on a new site adjacent to the County Records Office on Sussex Street. Although this had much to commend it from a professional perspective there was an unfavourable public response. The Sussex Street location was considered remote and difficult to access. A number of members of the public commented through local media that a redevelopment of the established Jewry Street site would be preferable and urged the City Council and the County Council to cooperate in the public interest. Following up these concerns, the Leaders of the City Council and the County Council met to discuss options following which the County Council was invited to prepare a scheme for the Jewry Street site. This could take one of two basic forms. One would be a refurbishment of the existing premises to incorporate the reference library. This would be adequate but would add little to what the library could offer users. The alternative would be the development of the type of cultural centre originally proposed for Sussex Street and this is the County Council's preferred option for the site if agreement can be reached with the City. It has always been a matter of public record that this would involve construction on a number of car parking spaces at Jewry Street. The County Council has also made clear in discussions that partnership funding from the City Council would also be necessary to make the project viable.

- 1.4 Over the last few months officers of the City Council and the County Council have been co-operating to develop an outline scheme for Jewry Street and to consider how the implications can be managed. There has been regular contact between the Leader of the City and County Councils and all members of the City Council were briefed fully at a meeting on 15 January 2004 at which the project was well received by the majority of those attending including representatives from local educational and community organisations. However, it has always been made clear to County Council colleagues and Members that the City Council had not taken any formal decisions and that support for the project would be a major consideration for all Members. The nature of the financial and property issues means that the final decision on this matter will lie with full Council.
- 1.5 The development phase has now reached a point where a preliminary scheme design has been undertaken and costings carried out. The County Council now needs to know whether the City Council will provide the land and partnership funding necessary to allow the development of the cultural centre. If it decides not to then the County Council will continue with the limited refurbishment scheme. The County Council cannot proceed with any scheme until it knows what partnership involvement the City Council wishes to have in the project.
- 2.0 Cultural Centre Facilities
- 2.1 Full plans of the building will be made public as soon as design work has progressed to a more detailed stage. They will incorporate lending and reference library space over two floors of the existing building with a 'fast access' point in the new wing. This will provide a larger book stock and a greater range of other media. A new art gallery built to standards of security and environmental management which will enable it to host local and touring temporary exhibitions of the highest order will be provided in a new space to the rear of the existing building. Subject to the final agreement of the Dannatt Trustees this will become home to the Dannatt Bequest in co-operation with the University of Southampton. The gallery will give residents access to exhibitions of the visual arts which no other gallery in mid Hampshire can provide. A small lecture theatre seating approximately two hundred will be provided which is designed for presentations, lectures public readings and other events related to the cultural centre. It will not be a performance venue in competition with the Theatre Royal. A range of educational and learning rooms will also be provided to support school visits, community learning activities and similar functions.
- 2.2 Two other proposals are of particular interest to the City Council. One is the replacement of the public conveniences on Jewry Street. The development of the cultural centre incorporates the replacement of the existing toilets, something which has been an aim of the City Council for some time and therefore to be welcomed. The precise location of the replacement toilets is still under review as there are issues with achieving a street front location but it should be possible to achieve a satisfactory outcome. The City Council will continue to operate and meet the revenue cost of the new public toilets.
- 2.3 The other is the provision of a new exhibition space for the Winchester Museums Service. The existing temporary exhibition space at the Hyde Historic Resources Centre (HRC) has been creatively programmed for a number of years. It is the only temporary exhibition space available and very important to the Museums Service in terms of education work. Members who have visited HRC will know that the space is cramped, on two levels with no disabled access between and has no accessible teaching room support. It does not meet the requirements of the Disability Discrimination Act and if HRC is to continue as the location for these activities substantial capital expenditure will be required which is not currently budgeted for.

- 2.4 The cultural centre will provide a new museums exhibition space which will be programmed by the City Council team in partnership with the cultural centre. It is important to recognise that this is not intended as an island of City Council property but rather an integral part of the cultural centre within which the museums service is able to pursue its objectives – objectives which are shared by the County Council. Over the course of the year a number of exhibitions will be programmed some of which may draw on collections and material held by the County Council or third parties.
- 2.5 The cultural centre will be a County Council owned and managed facility albeit with partnerships operating on a day to day level. In a project of this scale and nature it is not recommended that the City Council ought to seek any direct involvement in strategic management at officer or Member level. However, it is suggested that there would be benefit in having a regular meeting, perhaps twice a year, at Member level to receive information and discuss general issues relating to the centre and its role in the area.
3. Testing Public Opinion
- 3.1 To gauge public reaction to the proposals and in particular the implications for the loss of car parking spaces the County Council commissioned a number of different surveys of public opinion. These took the form of a series of street interviews, interviews with existing users, an internet poll and a self completion questionnaire distributed through the library. The street interviews and interviews with existing users were conducted by a reputable polling organisation to achieve a statistically significant balanced sample of respondents. In all of the surveys the respondents were informed of the implications for the loss of car parking space.
- 3.2 All of the surveys asked respondents to state whether they preferred the option to refurbish the existing library or to make the extra investment to create the cultural centre. Each of the surveys produced a substantial majority in favour of the cultural centre option. In the street interviews with a randomised sample of respondents 62% preferred this option. Existing library users had the lowest preference for change with 54% preferring the cultural centre option (still a substantial majority over the 35% preferring straight refurbishment). 87% of library users who completed a questionnaire said they were 'supportive' or 'very supportive' of the two Councils seeking to improve library/cultural services.
- 3.3 There were no findings in any of the surveys which could be interpreted as indicating that there was a majority view that the cultural centre project should not proceed – even a survey of a sample of visitors to the library who were known to have parked in Jewry Street produced a majority of 44% to 41% in favour of the cultural centre option.
- 3.4 Organisations such as the Theatre Royal, King Alfred's College, and Winchester School of Art have indicated their strong support for the project. The Theatre Royal management has indicated that the loss of car parking spaces in Jewry Street would not have an adverse effect on their business whilst they view the cultural centre as a welcome neighbour creating new opportunities to generate audiences and reach new users. Local businesses will be concerned regarding car parking, but they should benefit from the increase in the number of people using Jewry Street to reach the cultural centre. Further consultation with the City Centre Partnership and the Chamber of Commerce will be undertaken on parking arrangements and consideration will be given to improvements to lighting and CCTV to improve access to the Theatre Royal and the cultural centre from other car parks after dark.

4. Financial and Property Matters

- 4.1 If the cultural centre project is to proceed there are two matters relating to property and finance which must be agreed by the City Council. These both have significant implications and must be weighed very carefully to ensure that Members are clear about the balance of advantage for the City Council and taxpayers.
- 4.2 The County Council has estimated the total cost of the cultural centre at £7million. It has stated that it can provide £6million of this from its own capital resources and has formally requested £1million of partnership funding from the City Council. The principle for partnership funding for cultural and leisure projects of this nature where both authorities have relevant functions is well-established over many years. There are a large number of sports, cultural and leisure projects, as well as many other services, which have been jointly funded by county and district councils where co-operation produces a better result for residents than could be achieved by working alone.
- 4.3 The County Council has not requested any contribution to revenue costs nor is expected to do so. If the City Council provides services through the cultural centre which are currently provided elsewhere, such as at HRC, then existing resources will be used.
- 4.4 Without the capital funding from the City Council the County Council has made clear that it will proceed only with the refurbishment of the library. There will be no gallery, exhibition space or other enhanced facilities since these will be unaffordable. Cabinet must determine whether the benefits to Winchester residents to be obtained by the City Council's financial input are to be valued more highly than other potential uses of the funds.
- 4.5 Cultural and leisure provision is one of the Council's Corporate Strategy Objectives and the project will also have benefits in improving facilities for young people, increasing access to lifelong learning and improving the quality of a site which has become unattractive. It is consistent with the objectives of the Winchester Cultural Strategy published in December 2002. The addition of the centre to Winchester will increase the quality and reputation of its cultural facilities which will be beneficial to the local economy and fits well with the idea of promoting the District as one in which culture, learning and the arts are major economic drivers.
- 4.6 The Council has sufficient reserves to be able to make a capital contribution on this scale but of course that money cannot then be used for other projects. It should be noted that the Council has already included £180,000 in its capital programme towards the cost of replacing the Jewry Street toilets – a sum which may not in any case represent the full cost of a stand-alone scheme. This will not be required if the cultural centre proceeds thus reducing the total size of the addition required to the capital programme. The creation of the cultural centre will also reduce the requirement for any expenditure to meet the requirements of the Disability Discrimination Act at HRC.
- 4.7 It will not be necessary to provide the funding in a single year and it may be possible to split the funding across three financial years as work on the scheme progresses. There will be a condition on the funding that the centre should operate for a minimum period of 21 years. If it does not the grant will be repayable pro-rata. A reduction in the level of reserves of £1 million has an impact on the interest being generated to support the Council's revenue budget of approximately £50,000 per annum at current interest rates.

- 4.8 In order to provide space for the extension to the building necessary to incorporate the new facilities it will be necessary to extend on to part of the existing car park to the rear of the library. Planning permission and listed building consent will be required for this (as with other works) and these will be complex. However, Cabinet is not required to consider the merits of these matters which are for the relevant planning authorities. Cabinet does need to consider the issue from the perspective of landowner. The land has an open market value for the existing use including the public conveniences and the sub station of £303,900. The unrestricted open market value of the site depends entirely upon what alternative uses to which the land could be put. Site conditions and location adjacent to a listed building limit the potential uses and it is estimated that the open market value is in the order of £500,000 – £550,000 although the City Council has never prepared or promoted a scheme which would generate such a sum. The County Council has asked the City Council to make the land available so that the project can proceed. Since the County Council already owns the freehold of the library building, the simplest mechanism for this would be a freehold disposal to the County Council at nil consideration. However, the terms of any transfer will include a restrictive covenant to restrict the use of the land to the purpose of the cultural centre so preventing any other use without the City Council's consent. Although the current financial valuation of the site cannot and should not be ignored, it is suggested that the fundamental question for Cabinet is where the balance of advantage lies between the existing value of the car parking spaces to the community and the alternative use being suggested here. The land will remain in public ownership and its financial value will not be lost to the taxpayer even though it is being transferred from one public body to another for a specific use.
- 4.9 The question of the City Council's legal powers to contribute towards the cost of the scheme also has to be considered. The Council is not the library authority but always would have had powers to contribute towards the cost of a gallery/museums space and public meeting rooms under S12 Public Libraries and Museums Act 1964 and S19 Local Government (Miscellaneous Provisions) Act 1976.
- 4.10 Since the introduction of the well being power in S2 Local Government Act 2000, which enables greater partnership working, it is clear that the Council can contribute towards the library elements of the scheme thus eliminating the need to delineate specifically which parts of the scheme are funded by the City Council. The power entitles the Council to incur expenditure where it considers that this will promote the economic, social or environmental well being of the area – or any part of it. It cannot be used if there is an express statutory prohibition that would prevent the activity – which there is not in this case. The statutory guidance on the use of the power does not contain any provisions which would prevent its use in relation to this scheme. It does require that there should be regard to the objectives of the Community Strategy. In the Winchester's case, the emerging Community Strategy clearly indicates support for improved cultural and leisure facilities which will increase access for all, for projects which will enhance access to life-long learning opportunities and for joint working between partners.
- 4.11 The proposal also involves the disposal of land at less than best consideration. Government consent is required unless one of the general consents issued applies in a specific case. The Local Government Act 1972: General Disposal Consent (England) 2003 is relevant here. This allows the Council to dispose of land in connection with the use of the well being power in the Local Government Act 2000 provided that a valuer has certified that the undervalue does not exceed £2million. The Chief Estates Officer has certified that in this case the undervalue is in the order of £550,000 excluding any residual property retained by the Council.

- 4.12 The reduction in the number of car parking spaces will reduce the income generated specifically by the Jewry Street car park by approximately £70,000 per annum. However, it is reasonable to assume given the proximity of other town centre car parks that a very high proportion of this income will not be lost but diverted to those other car parks. The Council should not suffer a large reduction in income from car parks which has any significant effect on its plans.

5. Conclusion

- 5.1 Over the last twelve months there has been an extended discussion between officers and Members at the City and County Councils. The aim of those discussions has been to establish the principles of a scheme which will establish in Winchester a first class centre for cultural activities. The scheme being put forward is neither grandiose nor a gimmick. It respects the existing building and its purpose, building on the base of the library, is entirely in keeping with the objectives of the Cultural Strategy and Draft Community Strategy to promote Winchester as a place where there is open access to cultural, learning and creative activity for all.

OTHER CONSIDERATIONS:

6. CORPORATE STRATEGY (RELEVANCE TO):

- 6.1 The proposed project is entirely consistent with Winchester's Cultural Strategy which seeks to increase the range of cultural and leisure activities which are available to residents and supports the principle of partnership working. In particular the strategy identifies as an objective the provision of improved library provision in partnership with County Council. The project would represent a major opportunity to extend the opportunities available to all and would particularly seek to benefit people who are currently not library users and who do not have access to cultural opportunities.
- 6.2 The Council has a strategic priority to increase access to cultural and sporting activities. The Council also seeks to promote partnership working and making the best use of financial resources as described in the report. The project would enhance the status and prestige of the town and of the District as a whole.

7. RESOURCE IMPLICATIONS:

- 7.1 These are described in the report.

BACKGROUND DOCUMENTS:

'Who's in Charge?' Libri April 2004

APPENDICES:

Appendix 1 - Plan showing land to be disposed of

ADDENDUMCapital Project Appraisal BidVersion No **1**

Project Title : Winchester Cultural Centre	Project Code :
Approval in Principle : Cabinet May 19 th 2004	<u>Priority Code</u>
File Ref : File held by CSD	Date 10 May 2004

<u>A</u>	General Information	
1.	Project Description	The provision of a grant of £1million to the County Council as a contribution to the total £7million estimated cost of the cultural centre for Winchester.
2.	Link with Corporate Strategy	Consistent with the objectives of increasing access to leisure and cultural activities and promoting social inclusion through increased opportunities for learning and personal development.
3.	Link with Business/Service Plan	Identified as an objective in the Winchester Cultural Strategy
4.	Feasibility Study Ref.	Feasibility work is being undertaken by the County Council to determine project risks and parameters. A base cost and schedule of accommodation has been established.
5.	Design Completion Date	Summer 2004
6.	Works Commencement Date	Spring 2005
7.	Target Completion Date	Spring 2007
8.	Responsible officers	Winchester – Steve Tilbury, Director of Community Services Hampshire – Andrew Smith, Director of Property, Business and Regulatory Services
9.	Estimated Life of Asset	21 years minimum – up to 40 years could be expected
10.	Other Agencies Involved	Hampshire County Council
11.	Planning Permission	To be applied for by Hampshire County Council

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B	Financial Information			
12.	<u>CAPITAL COSTS</u>	Original Estimate	2004/2005	Full Project
	Whole project	£7 million	£7 million	£7 million
	Total Capital Cost to Winchester City Council	£1 million	£1 million	£1 million
13.	<u>CAPITAL FUNDING</u>	Original Estimate	2004/2005	Full Project
	Capital Receipts and Reserves		£1 million	£1 million
	Total Capital Funding £		£1 million	£1 million

14.	<u>CASH FLOW PROFILE</u>	2004/05	2005/06	2006/07	2007/08
		£NIL	£330,000	£330,000	£340,000
15.	<u>REVENUE COSTS</u>	Current Year	2005/2006	2006/2007	2007/2008
		£ Nil	£ NIL	£ NIL	£ NIL
	Total Revenue Costs £	Nil	Nil	Nil	Nil
16.	<u>SCALE OF PROJECT</u>				
		<p>A major development for Winchester. Project will be managed by Hampshire County Council with no design or project management risks for the City Council. Contracts will be let and managed by Hampshire County Council.</p> <p>City Council input will be moderate level of officer time committed to providing advice on design, programming and infra-structure issues.</p>			

C	Prudential Code Statement on Council Tax Effect	2005/06	2006/07	Full Project Cost
	Loss of interest on capital @ 4.5%	£7,425	£22,275	£45,000
	Revenue Cost	Nil	Nil	Nil
	Total	£7,425	£22,275	£45,000
	Effect on Council Tax (£)	£0.17	£0.50	£1.00