

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL
EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
COMMITTEE

Date 27 June 2019

1. **REPORT TITLE** **The Guildhall – A review of utilisation.**
- Submitted by:** **Chief Executive – Martin Hamilton**
- Portfolio:** **Finance, Assets and Performance Scrutiny Committee.**
- Ward(s) affected:** **All Wards**

Purpose of the Report

To provide an information update on the activities, income and expenditure derived following the letting of this property for use by community organisations.

Recommendations

Recommendations:

- ***That the Committee receive and note the information provided.***

Reasons

Not applicable

1. **Background**

1.1 In late summer 2018 the Council's Customer Services Centre vacated The Guildhall, relocating into Castle House, the new public sector partnership hub.

1.2 With an absence of interest from any party to lease the building on a commercial basis, Members instructed that a new tenant occupier be sought for The Guildhall whose use of the building was to include community and/or voluntary sector purposes. The intent at this time was to both keep this prominent building in public use and support footfall in the town centre.

1.3.1 On 17th December 2018 a tenancy at will (TaW) agreement, being a pre-cursor to a lease, was completed with Support Staffordshire. This organisation is a registered charity and provides support to the voluntary, community and social enterprise sectors.

1.3.2 The tenancy agreement allows for the licencing of accommodation in the building to a range of organisations, including; Newcastle BID, Shaw Trust, Staffordshire Adults Autistic Society, Moneyline, Friends of Guildhall, Keele Uni SU, Philip Astley Project CIC, Business Enterprise Support, The Dove Service, Citizens Advice Staffordshire North and Stoke, Aspire Housing.

1.3.3 The tenancy agreement provides that all income, i.e. fees from the licencing of accommodation, net of running costs expenditure is paid to the council with verification of data by way of certified accountancy records supplied by the tenant. The Borough Council gave an undertaking to meet running cost expenditure in the event that there is a shortfall of income during the term of the TaW agreement. As part of this undertaking, the Council has retained responsibility for undertaking statutory inspections, and repairs. The cost of these will be funded as far as possible

from any fee surplus secured by Support Staffordshire. This arrangement anticipated that it would take time for Support Staffordshire to develop the use of the Guildhall to the point that its operation was self-sufficient. The Council's contribution to costs is capped at £14,273. In the first six months of operation, the Council has incurred costs of £9,700 relating to inspections and repairs/maintenance.

1.3.4 Support Staffordshire has made a positive start in terms of meeting the day to day running costs of the Guildhall (aside from costs falling to the Council), although has yet to break even. To date the project has delivered:

- fee income (to date) has amounted to £6,927
- running cost expenditure has amounted to £9,177

1.3.5 The costs incurred by Support Staffordshire have included some initial set up costs (eg cleaning equipment). The organisation, in taking over responsibility utilities, have experienced bills much higher than anticipated. This was due to the tariff being applied by the supplier, an error which has now been rectified.

1.4 The tenant, Support Staffordshire has produced a report, dated 12 June 2019 in respect of activities within the Guildhall and fee income generated. This can be found at appendix 1.

2. **Issues**

With only six months of operation, it is perhaps too soon to say whether the letting of the Guildhall for community / voluntary sector use will prove to be a self-sustaining. However, Support Staffordshire is positive about the prospects of building on early successes, and addressing the current operating budget shortfall.

3. **Options Considered**

Not applicable

4. **Proposal**

Allow twelve months occupation and then undertake a review of activities, income, expenditure and then report back to committee.

5. **Reasons for Preferred Solution**

To allow a sufficient time period in which to judge performance outcomes.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

The use of the Guildhall for community and/or voluntary sector purposes ought to positively impact on the priorities within the Sustainable Community Strategy and the Council's corporate priorities, namely:

- creating a cleaner, safer and sustainable Borough
- creating a Borough of opportunity
- creating a healthy and active community

- transforming our Council to achieve excellence

7. **Legal and Statutory Implications**

Not applicable

8. **Equality Impact Assessment**

Not applicable.

9. **Financial and Resource Implications**

At this point in time it is too early to make a judgement as to financial and resource implications.

10. **Major Risks**

It is too early to make a judgement as to major risks, if any, arising from this letting of the Guildhall.

11. **Sustainability and Climate Change Implications**

Not applicable

12. **Key Decision Information**

This report is not on a key decision as defined in the Council's Constitution. Also this item is not included in the Cabinet's Forward Plan for the period in which the meeting is to take place.

13. **Earlier Cabinet/Committee Resolutions**

Council meeting 23rd September 2015 Item 6, Minuted Resolution C.

14. **List of Appendices**

Support Staffordshire Report dated 12 June 2019.

15. **Background Papers**

Not applicable.

Guildhall

Report for Newcastle-under-Lyme Borough Council on activity and income at The Guildhall

12th June, 2019

Occupation and usage

Support Staffordshire took on the management of The Guildhall on 17th December 2018. By Christmas one tenant had moved in – Staffordshire Adult Autistic Society into ground floor office Room 5 – and others had made plans for the New Year. In January a second tenant – Moneyline – moved into the other ground floor office (Room 4); The Shaw Trust started delivering their Work and Health Programme contract from customer service desk 1, 5 days a week, Rethink started using customer service desk 3 (initially for one day a week, then half a day a week) and the Newcastle Business Improvement District (BID) started the alterations on the first floor. By the middle of March 2019 both ground floor offices were in use, the first floor had been transformed and was being used by the BID, and the customer service desks were in regular use (if not fully occupied).

From the start, The Friends of The Guildhall has been providing volunteers to staff the reception desk from 10am to 4pm Monday to Friday (in 3 shifts – 10am to 12pm, 12pm to 2pm, and 2pm to 4pm). This has proved absolutely invaluable as members of the public are used to The Guildhall being an information point and regularly come in. The volunteers have a variety of information leaflets and can signpost people to services and organisations, with many people being directed down to Castle House.

Details of footfall and enquiries dealt with at The Guildhall from January to April are detailed in the attached summary. In total there were 910 enquiries dealt with by the volunteer receptionists of which 542 relate to the Borough Council, with waste collection and Council Tax queries being the most common.

There have been a variety of activities taking place at The Guildhall since January, mainly using the foyer and reception area. These have included:

- 28th February – Severn Trent exhibition
- 9th March – NuL Fair Trade Group event
- 29th March – screen printing demonstration
- 1st April – Grow Event
- 27th April – Umbrella workshop (linked to Carnival) and also base for scouts parade
- 6th May – Newcastle Carnival (used as one base)
- 23rd May – Dementia Friends (supporting range of stalls outside)
- 24th May – Great Victoria Sponge Cake Off

The areas that can be rented – the foyer and reception; the first floor meeting room; and the customer service desks – have been, and continue to be, actively marketed by Support Staffordshire, the Friends of the Guildhall and the BID through Facebook, press releases and websites. Many of the events listed above were wholly or partly organised by the Borough Council and no charge was levied.

Building management and services

When the building was taken on by Support Staffordshire it was on the basis of making few alterations but trying to maximise use of the current space as it was configured. However the BID wished to have an open plan office on the first floor so invested a significant amount of money into removing the former customer service desks to create that open plan space; taking out a partition wall between two offices to make one meeting room; laying new carpet throughout the first floor; and the associated electrical work. It also quickly became apparent that there was a security issue as the double doors into the first floor area had no lock on them and members of the public could simply wander upstairs unchallenged. After finding a solution that met fire safety requirements, a new door lock has now been installed, another significant cost met by the BID.

Another improvement has been the installation of a letter box in the “back door” (i.e. the original front door), to current standards. The cost of this has been met by The Friends of the Guildhall and was done at the same time as the scheduled improvements and decoration of that part of the building by Borough Council contractors.

A cleaner (General Assistant) was recruited and started in January to work 2 hours every weekday morning before 10am. Unfortunately she went on sick leave at the end of March and has not yet returned. A temporary cleaner has been employed and a further recruitment process undertaken to secure someone on a contractual sessional basis to cover holidays and sick leave.

Wi-fi for the whole building has been provided by the BID and has been operational since February. The BID also donated a computer for the reception area but out of date software is limiting its use. There are plans to get two computers for public use in the reception area and perhaps identify a couple of volunteers who can help as IT buddies. The aim is for The Guildhall to offer supported signposting to a range of local public and voluntary services and a close working relationship with the Castle House Customer Service team is being developed to ensure complementarity.

The first 5 months have not been without problems. There have been a series of niggling issues with the alarm (some user created!); the heating system; the lift alarm; toilet blockages and other things. The support from the building maintenance team at NuLBC has been fantastic – clear, helpful and prompt (and patient to one learning the idiosyncrasies of this elderly building!) The heating system is industrial in size and not very flexible. The first gas and electric bills were scarily high as it became apparent that the companies had reverted to out of contract rates. These have both now been re-negotiated. Discretionary rate relief was sought for the 20% outside the 80% charitable rate relief and was finally awarded in early May (so 100% rate relief applied). Also the BID has kindly offered to cover Support Staffordshire’s required contribution to the BID of £514.16. The regular building health and safety and building maintenance issues are dealt with by the Borough Council but the estimate costs for these have not been charged yet.

Running costs and income

The Guildhall is a challenging building with which to try and generate sufficient income to cover its costs. It is a large building but has significant areas that cannot be used, not least the large stairwells at the front and rear of the building. The lettable space is also configured in a less than efficient way with only two small separate offices to let and one medium sized meeting room. Opening up the space on the first floor for the BID has improved its flexibility and future earning capacity. Also, focusing on the voluntary and community sector to provide tenants is not without its challenges as funding can be limited and short term. Lots of local charities would love to use the space offered in

The Guildhall but would struggle to make even a small payment. However The Guildhall benefits enormously from its town centre location and the awareness of the general public of The Guildhall as a place to come for advice and help. Details of the running costs and income from December/ January 2018 to end of May 2019 is attached.

To summarise:

Total cost to date = £9,177

Total income to date = £6,927

Total loss to date = £2,250

It is anticipated that the cost profile will improve as initial set up costs like cleaning equipment are absorbed and utility bills settle down at a more reasonable level (and hopefully the heating can be turned off soon!). Income should also improve as local groups get used to the idea of hiring space at The Guildhall. It was hoped that both Aspire Housing and Citizens Advice North Staffordshire and Stoke-on Trent (re their Universal Support service) would be making regular bookings of the customer service desks but this has not materialised (both are finding the service they can offer from Castle House adequate). Prospective additional regular bookings are by a private local consultant who hopes to use meeting space one evening a week and by the North Staffordshire Wellbeing Service (part of the Midlands Partnership NHS Foundation Trust).

Conclusion

Taking on The Guildhall has been an interesting challenge for Support Staffordshire. It has certainly helped to raise our profile in the town and provided space for us to work from and meet local groups (we have no dedicated space but use what is available). It has helped us to strengthen relationships with the Borough Council and with member groups like the Staffordshire Adults Autistic Society, and form a new relationship with the BID. It has also taken up significant staff resources, often on quite trivial and unforeseen issues. Overall from our viewpoint the current arrangement has proved a beneficial one.

Financially The Guildhall is running at a loss. Every effort will be made to generate income and to reduce costs as much as possible over the remaining 6 months. A full 6 months review will be undertaken after the end of June. However it is likely that there will be a loss at the end of the year which will fall on the Borough Council as agreed. Support Staffordshire took on the role of managing the Guildhall to fill a gap between the Borough Council moving out and a long term solution being agreed. The Friends of The Guildhall are working on a business plan with a view to taking on The Guildhall and Support Staffordshire has been supportive to their plans. Should this not be finalised, and no agreement reached between The Friends and the Borough Council before 17th December 2019, then Support Staffordshire may be able to consider extending its current arrangement with the Borough Council.

Jill Norman
Support Staffordshire
12th June 2019