

B71

Cabinet 23 June 2010

Asset Management Plan – Corn Exchange Options for Use (Jun10/13)

1. Summary and Reasons for Recommendation

- 1.1 Under its asset management process, the Council agreed in 2004 that the Corn Exchange in Bury St Edmunds would be declared surplus to operational use when the new public venue (The Apex) opens; the income from a new tenant being part of the original business planning for the new venue. The Apex is due to open later in 2010 and, therefore, the Council has been working towards the marketing of the leasehold for the Corn Exchange over the last year, culminating in a formal prospectus being issued to potential commercial and community bidders in March 2010.
- 1.2 On 26 May 2010 (Paper B8 refers), the Cabinet agreed to short-list two formal bids for the leasehold of the Corn Exchange, Bury St Edmunds (received from JD Wetherspoon PLC and Abbeycroft Leisure) for further investigation, negotiation and consultation. This report summarises the outcome of further negotiation with the bidders and a public consultation held on 15 June 2010.

2. Recommendation

2.1 In accordance with the Council's adopted option appraisal process of the Asset Management Plan, which includes community management and ownership of assets, the Cabinet makes a recommendation to the full Council as to whether either of the two formal bidders can be offered the leasehold of the Corn Exchange, subject to the receipt of planning permission and any other necessary consents.

3. Corporate Objectives

- 3.1 The recommendation meets the following, as contained within the Corporate Plan:-
 - (a) Corporate Priority: All four priorities are potentially relevant
 - (b) Cabinet Commitments: 'Continue to improve efficiency and value for money'; and 'Shape the future development of the Borough and wider area (maximise the social and economic benefits of town centre developments in Bury St Edmunds);
 - (c) Vision 2025: St Edmundsbury will be a place: which is an international tourism destination with the town centres of Haverhill and Bury St Edmunds

containing a thriving mix of retail, professional services, cultural outlets and hotels (V:E4); where the wide range of accessible leisure and cultural facilities on offer provide opportunities for all sectors of the community (V:L2); and which has successfully retained and enhanced its built and natural heritage and environment (V:S5).

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4. Key Issues

4.1 **Background**

- 4.1.1 Report B8 to Cabinet on 26 May 2010 explained the background to the decision in 2004 to market the leasehold of the Corn Exchange, and the outcome of the marketing process in 2010. Four bids were received by the deadline of 7 April 2010. After the initial evaluation, Cabinet agreed to short-list two formal bids; one a community wellbeing bid from Abbeycroft Leisure (Children's play facility) and the other a commercial rent-only bid from JD Wetherspoon PLC (pub/restaurant). One of the four bids was withdrawn (a community scheme for an arts/folk centre for people with disabilities) and the other (a community scheme for a young person's centre) did not contain enough information to allow it to be short-listed.
- 4.1.2 Both short-listed bids were assessed as having the potential to meet the requirements of the Council's Asset Management Plan (AMP), subject to the resolution of certain issues and receipt of all necessary consents. The Cabinet also felt that it would be appropriate to carry out a public consultation on the two bids to inform the final decision.

4.2 <u>15 June 2010: public consultation</u>

4.2.1 On 15 June 2010, a consultation event was held in the Corn Exchange which attracted over 200 participants. A full summary of that exercise is set out in Appendix 1 to this report. The process was designed to highlight the issues which Cabinet would need to take into account if it were minded to accept either of the bids. The main issues identified are set out in the following update on the two short-listed bids.

4.3. Update and assessment of two short-listed bids

- 4.3.1 An updated asset management appraisal of the two schemes is contained in Exempt (blue) Appendix 4. This information must remain confidential while negotiations with the two bidders continue to protect the financial interests of all parties, including the taxpayer. However, this appraisal shows that both are still potentially acceptable and the Council therefore has the ability to decide between the two, trading off a higher market rent against a discounted rent in return for community benefits. It is essential that a bid is chosen on its own merits, and not as the alternative to the other.
- 4.3.2 It is also important to note that if the Council wishes to make a decision to offer the leasehold in June, it can only consider formal bids made by the deadline of 7 April 2010. If it wishes to pursue another option it must re-open the process in order to avoid risk of challenge, and to ensure fairness and transparency. Re-opening the process also increases the risk that a new tenant will not be selected in time for the closure of the Corn Exchange as a public hall.

4.4. Wellbeing Bid: Abbeycroft Leisure

- 4.4.1 The Abbeycroft Leisure scheme comprises a children's play facility and community café. Initial plans for the scheme are attached as Appendix 2, although it must be noted that these have not been considered formally by the planning authority and are indicative only.
- 4.4.2 Wellbeing bids should be capable of operating without subsidy or support from the Council. Abbeycroft's proposal is conditional upon a full survey of the building and

planning consent. Further investigation by Abbeycroft Leisure has resulted in them reaffirming their offer, but indicating that, were they to be offered the leasehold, they would need to negotiate with the Council on a variety of matters, including their ability to take on full liability for all of the risks associated with maintaining the building, and also the works they may require to be carried out in advance of a tenancy to mitigate those risks. In this regard, while it would offer a rental income (and not require any direct subsidy from the Council in operational terms), accepting the scheme would represent not only an opportunity cost of lost income to the taxpayer but also potentially a financial risk to the Council as landlord (compared to a market bid). These issues are covered in more detail in the exempt Appendix.

- 4.4.3 As can be seen in Appendix 1, the consultation carried out by the Council confirms the assessment that the Abbeycroft scheme does offer a demonstrable community benefit, as required by the AMP criteria. This is important in order to justify offering a discounted rent. The majority of those taking part also felt that it was justified to use Council Tax to subsidise a community use of the Corn Exchange. In summary, the main reasons that people liked the scheme were:-
 - (a) it has the potential to improve the range of local facilities available to children and their families;
 - (b) by being in a town centre location, it will add to the 'offer' of Bury St Edmunds; and
 - (c) it would encourage healthy activity and play amongst children.
- 4.4.4 Just over half of people taking part did, however, raise concerns about the scheme, the main of which were:-

(a) The level of financial subsidy or risk involved in the scheme

This issue is acknowledged by both the Council and Abbeycroft Leisure. Abbeycroft think the scheme is viable in revenue terms but would want to negotiate a position with the Council which minimises their risk for maintenance liabilities.

(b) The lack of designated parking and traffic issues

The Corn Exchange will not have its own parking spaces for families, which around 20% of attendees at the exhibition felt was an issue for this use. However, Abbeycroft Leisure has conducted its own research and feels that the central location of this facility is actually its real strength along with the high footfall in the area. They feel it will offer something unique in the area, and therefore that their original concept of meeting the needs of residents and visitors to the area by combining retail visits with children's play is still valid.

(c) A need to widen the scheme to increase its appeal and impact in the community.

The scheme is primarily aimed at families with younger children. However, Abbeycroft have indicated that would look at ways to widen the range of users of the facility, including working with other partners. There is potential to look at uses of the facility for older children, and also people with disabilities.

4.5 **JD Wetherspoon PLC**

- 4.5.1 This bid is for a pub and family restaurant use, offering a market rent and a full repairing lease. Indicative plans are also attached at Appendix 2 although, again, it must be stressed that these are indicative and have not been considered formally by the planning authority.
- 4.5.2 Any lease for this use would also be conditional upon planning and licensing consents. As part of its own marketing exercise, the Council submitted in January 2010 a speculative planning application for change of use to A4 Drinking Establishment, to establish if this option was acceptable. Supporting information on hours of opening, ventilation systems, noise levels, etc was left as flexible as possible, to allow for the needs of potential occupiers. Planning permission was refused on 1 April 2010, on the grounds that: "The proposal would be contrary to Policy TCR2 of the Replacement St Edmundsbury Borough Local Plan 2016 in that it would create a large drinking establishment which, by virtue of its scale and size, would result in an unacceptable intensification of the present use of the site with late opening hours 7 days a week leading to an increase in associated, unsocial activities that would adversely affect the amenity of the surrounding area by virtue of noise, congestion on the pavement and disturbance. Furthermore, the increase in the activities associated with the proposed use would be harmful to adjacent businesses in a manner that would detract from the vitality and viability of the locality." The Council will not appeal against this decision.
- 4.5.3 The company was made aware of this decision and did not withdraw its bid. In order to ensure that all options which could benefit the taxpayer were properly explored, the Council therefore invited the company to explain how, were its bid to be successful, it might overcome the concerns of the Development Control Committee, the Abbeygate Ward Members and their local residents/businesses in any fresh planning application of its own (and also in relation to any licensing requirements). The company agreed to take part in the consultation exercise so that it could talk to local people about these issues.
- 4.5.4 As can be seen in Appendix 1, the majority of those who took part in the consultation still had concerns about the impact of a large new pub in the town centre, and it was (by volume of comments) the least popular of the two options presented. Nonetheless, there was a significant minority of people who saw strong benefits in the scheme (and the Council is also aware of other sources of support in the wider community). In summary, the main reasons that people who liked the scheme gave were:-
 - (a) it would improve the range and/or competitiveness of restaurants and pubs in Bury St Edmunds, providing a new and affordable place for families, and people of all ages, to socialise;
 - (b) it would offer the Council Tax payer the least long-term risk and highest financial return, securing the future of the building; and
 - (c) the company's track record of converting similar historic buildings elsewhere, and its specific plans for the Corn Exchange.
- 4.5.5 Over three quarters of those who took part in the consultation raised concerns about the Wetherspoon proposal. The main reasons given were:-

(a) Bury St Edmunds already has enough or too many pubs, cafés and restaurants and adding a large new outlet would be detrimental to the town (and contrary to planning policy). In particular, people were worried that a Wetherspoon would have an adverse impact on existing food and drink businesses in the town.

Given the previous refusal of planning consent, this is an issue that, if successful in its bid, the company would need to address in any planning application of its own. While the Council (as both landlord and planning/licensing authority) must reach a view on what is best for the Corn Exchange and the town centre generally, it needs to be borne in mind that Wetherspoon has made it clear that it has been looking to open new premises in Bury St Edmunds for some time, and it will continue that search if it is unsuccessful in this case. It would therefore be inadvisable to turn the debate about the Corn Exchange into a debate about the desirability of Wetherspoon, or any specific company, coming to Bury St Edmunds.

Opinion on the competitive effect of Wetherspoon was divided, with most (and particularly existing businesses) seeing it is a negative thing. Given the potential interest of pub companies in the leasehold, the Council did carry out some informal research as part of its marketing exercise with a few other local authorities to see if there was any evidence of an adverse impact of a large national pub company such as Wetherspoon opening in comparable market towns (as well as looking at its own experience in Haverhill). Each case must be taken on its merits, but the discussions indicate that, in the majority of cases, local authorities have not experienced any problems economically which could be directly attributed to any specific pub company. However, several people attending the consultation offered anecdotal evidence of problems having been caused.

To provide some context, nationally, the pub sector is already experiencing difficulties. Research in February 2010 indicates that 39 pubs nationally are shutting for good each week, with independent pubs suffering particularly badly. However, some larger operators, including Wetherspoon, are still doing well and expanding in town centre locations. It is also worth noting that, from a Bury St Edmunds' tourism perspective, a frequent enquiry from visitors at the Tourist Information Centre is whether there is a Wetherspoon, mainly in relation to family dining, and several people who attended the consultation said that they always sought them out when visiting other places.

(b) Over 40% of those who attended the consultation were concerned that the scheme would encourage increased alcohol consumption and a larger drinking culture in the town, expressing fears that a large new pub would increase problems of noise, anti-social behaviour, litter, criminal damage, etc, particularly late at night, to the detriment of local residents and businesses. Smoking by customers outside the building was also a specific concern.

This is another main issue that the company would need to address in any planning application, and there was the chance at the exhibition for concerned local people to discuss the company's management approach (and 10% of those attending made specific mention of this as a positive thing about the bid). Many of those attending made the point that they were *already* experiencing these problems from the night-time economy and feared the cumulative effect of a new pub.

The exhibition highlighted that the company regularly has to deal with public perceptions of increased anti-social behaviour by their introduction to a town. The company is therefore confident that it can successfully address these concerns in any new planning

application, if they are successful with their bid. Discussions with other local authorities suggest that national pub operators expect to be required to put in place suitable management arrangements and few councils have experienced any additional community safety issues which could be directly attributed to a Wetherspoon. Indeed, many have had positive experiences of dealing with Wetherspoon, who participate actively in schemes such as Pubwatch. Councillors may find it useful to read the company's policies in more detail on its website at: http://www.jdwetherspoon.co.uk/home/discover-jdw

(c) That a pub (and the company's specific plans for the building) are an inappropriate use of the historic Corn Exchange

This is clearly highly subjective, and it needs to be pointed out that opinion was divided on this issue at the consultation – there were virtually the same numbers of people who liked the specific plans of Wetherspoon for the Corn Exchange (and its ability to invest in the building) and who felt that a pub (or the company's designs) were inappropriate.

5. Other Options considered

- 5.1 The Council's asset management review of the building in March 2004 considered a broad range of uses. The economic climate is somewhat different to that of 2004 when the previous AMP options report was approved. The previously favoured options have been reconsidered and extended in the context of recent consultation, including broadly how the building layout and existing facilities at the Corn Exchange might accommodate the alternative uses. The proposals have been discussed from planning and conservation viewpoints in terms of acceptability of principles. However, any conversion works, particularly those involving creation of mezzanine floors, would require careful design sympathetic to the listed building status of the Corn Exchange.
- 5.2 Major factors in the investigations have been the current economic and property climate, and the changed profile of Bury St Edmunds with the new facilities of the arc and a multiplex cinema and restaurant complex, and the Apex due to open later this year. The financial position of the Council and the Five Year Model are also critical in considering the options. A summary of the options considered is set out in Appendix 3 to this report.
- 5.3 The 2004 report considered the asset management options of retain, sell or work in partnership. It was concluded that the most financially advantageous route for the Council would be to let the first floor for a commercial use and retain the ground floor leasehold interests. It would also be desirable, if possible, to encourage public access to the interior of the first floor. It was therefore resolved that the Corn Exchange upper floor would be declared surplus to operational use when The Apex is opened and be retained as a non-operational property for conversion, in partnership, to an alternative use.
- In order to give all community organisations and commercial operators the opportunity to use the listed Corn Exchange, the Council has undertaken a wide and targeted marketing exercise in 2010 and has considered all options, in line with its adopted option appraisal process of the asset management plan, which includes community management and ownership of assets. This process was detailed in Report B8 to Cabinet in May 2010.
- Through the process, a number of other suggestions have been made which are not linked to formal bids received, including the proposal of the Bury Society. These were also explained in more detail in the May 2010 Cabinet report and some are referred to in Appendix 1. If the Council wishes to consider any of these options, it must re-start the process.

- **6.** Community impact (including Section 17 of the Crime and Disorder Act 1998 and diversity issues)
- 6.1 General
- 6.1.1 The Corn Exchange is in a prominent town centre site and its future uses are important to the community. It is desirable to ensure that the proposed tenants maintain the fabric and appearance of this listed building through active management of the responsibilities contained in the leases. It would also be desirable, if possible, to retain some public access to the interior of the first floor. This has been assessed as part of the process to select a tenant.
- 6.1.2 The wellbeing assessment carried out for the reduced rent bids was designed to evaluate their community impact and all had varying degrees of potential benefit in social and economic terms. The Council must also consider the social and economic impact of any commercial bids.
- 6.1.3 In relation to the potential for a large pub in the Corn Exchange, it is absolutely crucial to separate the Council's distinct and separate roles as landlord and planning/licensing authority. In the latter role, the Development Control Committee has recently reached the conclusion that this use might have an undesirable economic effect on other restaurant and bar operators and might increase anti-social behaviour. This refusal would not prevent the Council inviting Wetherspoon to submit its own planning application and to attempt to address these concerns. These issues are addressed in more detail earlier in the report.
- 6.2 <u>Diversity</u>
- 6.2.1 Any potential tenant of the building will need to ensure that its operations are fully compliant with relevant equalities legislation. The Council's wellbeing assessment also allows the contribution of a scheme to promoting diversity and equalities in the Borough.
- **7. Sustainability Impact** (including environmental or social impact on the local area or beyond the Borough)
- 7.1 The Corn Exchange is an important listed building in a prominent town centre location and makes a valuable contribution to the built environment of the town. Any future tenant will need to ensure that it is properly maintained externally and internally, which will, at some stage in the future, require a large investment in areas such as the toilets and ground floor foyer. Heating systems and kitchen/bar areas (if retained) will also need updating in the future, as might air handling. Under a full repairing lease, these improvements would be of benefit to the local taxpayer and also users of the building. The bidders are all aware of this requirement. This level of future investment in a building, which did not meet the community's expectations for either a public hall or arts performances, was a factor in the Council's decision to invest in a new public venue in the arc.
- 7.2 Socially, the impact of losing the Corn Exchange as a public building is offset by the opening of the Apex, which is an exciting and flexible purpose built venue. There are fewer than 200 bookings a year of the Corn Exchange at present and it intended that nearly all of these will transfer to The Apex or the Athenaeum, and hopefully develop and grow. As explained elsewhere in this report, the Council can look at the social impact of potential tenants of the Corn Exchange in making its decision on the leasehold, and a key factor in this is evaluating whether they are financially sustainable, and the level of risk

that they will require subsidy from the taxpayer (directly or indirectly, through lost income at the Council's own public halls for instance).

8. Consultation

- 8.1 The decision to build The Apex and seek a tenant for the Corn Exchange was made over five years ago, and consultation was carried out at that time. The matter has remained under consideration since then, with discussions taking place with several partners. As outlined above, consultation for this last stage of the process has been widespread through the marketing and bid process. Consultation has also taken place with national agents to assess market interest in commercial uses, particularly focusing on national and regional A3 restaurant and A4 bars occupiers in the light of current market conditions.
- There has been public consultation as part of the submission of the planning application for A4 Drinking establishment use, as there will for any further proposals requiring consent.
- 8.3 The consultation carried out for this stage of the process is summarised in Appendix 1.
- **9.** Resource implications (including asset management implications)
- 9.1 After the deadline for bids on 7 April 2010, the Council carried out an initial scoring assessment of the wellbeing bids through a panel comprising the Corporate Director for Community Services and three independent people, external to the Council. The details of the community bids and commercial bid and the results of the initial scoring assessment are contained in Exempt Appendix 4. Part of the assessment process is also to assess the capital value of the proposed leasehold interests and to consider if the Council may grant a lease to a community organisation at less than best price, in accordance with its statutory duty.
- 9.2 The Council has a duty to local taxpayers to ensure the best value is obtained from its property assets. Although the latest business plan for The Apex is not dependent upon income from leasing the Corn Exchange (and no provision for this income has yet been made in budget estimates, pending completion of this process) it has always been clear that the Council expected a good rental income from the building when the new public venue opened. Failure to achieve such an income, or any increase to the Council's revenue or capital expenditure through a community use of the building, will increase the pressure on future budget setting.
- 9.2 By leasing the Corn Exchange to a tenant, the Council will not incur property running costs estimated at £70,000 a year (which do not include operational costs). Additionally, the current Planned Maintenance Programme for the building could be considerably reduced, or in fact abandoned, as responsibility would no longer lie with the Council as landlord, nor as service operator. It currently includes works of replacement and refurbishment, including roof glazing, boiler replacement and hall floor improvements. There is no certainty that these major repairs will be carried out by the new tenant, either on the basis of no identified need by the tenant, or insufficient funds to do these works.
- 9.3 Further details on the capital and revenue effects are contained in Exempt Appendix 4.
- 10. Risk Assessment (potential hazards or opportunities affecting corporate, service or project objectives)
- 10.1 The following risks have been identified:-

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
Corn Exchange is empty when Apex opens.	High	Wide marketing of leasehold	Medium
Corn Exchange leasehold fails to provide expected level of income	High	Wide marketing of leasehold and strong wellbeing test for non-market rents	Medium
Planning permission is not obtained for any new use	High	Potential operators to provide full supporting information to accompany the planning application	Medium
Community operators do not have the expertise or capacity to operate from the listed building	Low	Expertise at the Council to assist	Low
Community operators cannot meet the expectations of their business plan	High	Expertise at the Council to assist. Proper risk evaluation of bids.	Medium
Community operators terminate their lease early, leaving the Council with responsibilities for vacant premises	High	Expertise at the Council to assist, but ultimately there will always be the risk with any community use that the tenant will not be able to generate sufficient income to properly maintain this listed building	Medium
Proposed community use does not complement the services of the Council or its partners	Medium	Addressed in assessment process and through joint working.	Low
Future use of Corn Exchange has negative implications for community safety, etc	Medium	Tenant to provide evidence of proper management plan to satisfaction of planning and licensing authority and local police. Appropriate monitoring and enforcement.	Low
Suitable use overlooked in marketing process	Medium	Wide and targeted marketing and continuing dialogue with stakeholders. Ability for community uses to compete with commercial uses.	Low

11. Legal or policy implications

- 11.1 The assessment of the options for the Corn Exchange has been carried out in accordance with the approved Asset Management Plan.
- 11.2 The proposed lease terms will also need to comply with s123 of the Local Government Act 1972 and the General Disposal Consent 2003.

Wards affected	Abbeygate (directly) All wards indirectly	Portfolio Holders	Economy and Asset Management; and Culture and Sport
Background Papers	Paper Y221 Cabinet 19 Sept 2007 Report B8 Cabinet 26 May 2010	Subject Area Property Management	

Consultation findings - Corn Exchange, June 2010





1. How was the consultation conducted?

A 'drop in' exhibition to allow public consultation on two short-listed bidders for the Corn Exchange was held between 2pm and 7pm on 15 June.

The format adopted for the consultation was one that has been well received for other local matters, allowing proposals and issues to be presented and discussed in an informal setting, and opinion to then be provided by those attending in the light of the information they had gained. The aim was to identify the issues that Cabinet need to take into account in making their decision; the consultation results sitting alongside the requirements of the asset management process, negotiation on the terms offered by the bidders and the technical assessment of their bids.

Access was open to everyone, and visitors were welcomed by a member of staff who gave them a feedback form to fill in after they had visited the various displays, read the information available and spoken to representatives from the Council, Abbeycroft and Wetherspoon. In this way the feedback was provided after consultees had had the chance to hear the facts and discuss the issues firsthand, so was based on information, not simply perception. The Council display explained the background to the marketing exercise, and the issues that needed to be taken into account in making a decision. The two bidders' stands set out plans for the building and background on the two organisations.

The exhibition was advertised by a press advert in the Bury Free Press (11th June), through a press release, on the Council's website, through social media and with posters in key locations. The time and date were also publicised in several media stories over a couple of weeks, including extensive publicity and debate on the breakfast show of Radio Suffolk on the day of the event.

In a more targeted fashion, letters of invite were sent to a list of local organisations, including local business groups (including licensed victuallers and Chamber of Commerce), local residents' and community groups, local councillors, parish and town clerks, local organisations and agencies, etc. Organisations (e.g. the Bury Society) were also encouraged to publicise it to their own members, which they kindly did. Invite letters were also hand delivered to businesses in the very immediate locality of the Corn Exchange ('near neighbours'). Letters were also placed in the book bags of children at several local primary schools to take home to parents, so that the viewpoint of potential users of the children's facility might be obtained. An

independent Facebook page (see 11 below) in support of Wetherspoon also promoted the event.

While this exercise formed the main element of the Council's consultation, other views have also been received (but without the benefit of getting information from the bidders concerned) and these are included in this report (finalised on 18 June) for information. Reference is also made to other independent consultation exercises.

2. Who took part?

Over 200 people attended the event on 15 June, resulting in the completion of 216 feedback forms, which are analysed in the main part of this report. It is deliberate that the data is not presented here in terms of this being a referendum or a representative sample of the local population. These are the views of 216 self-selected people who attended the exhibition and had the chance to consider and discuss the information. It is not a question of which bid 'won' a popular vote. It is an indication of what, when presented with information about the schemes, people felt the issues were.

Forms could be submitted anonymously. However, visitors to the exhibition were asked three demographic questions to help analyse the results in more detail: age, gender and postcode (home address or address of the business they were representing). They were also asked to identify if they were representing the views of a business. 26 attendees (12%) classified themselves as representing local businesses (including the Chamber of Commerce). Other attendees also specified that they worked in the town centre.

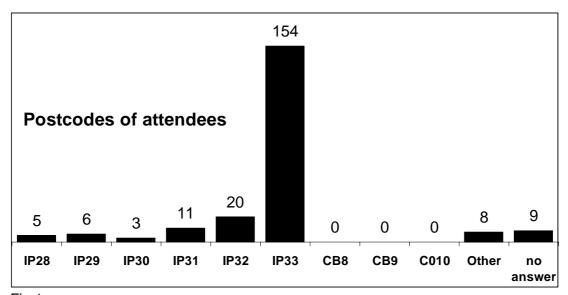


Fig 1

Figure 1 indicates that, as might be expected, a vast majority of attendees were residents of the town. In fact, 71% were either residents or businesses in the IP33 postcode area, which covers the town centre and much of the surrounding area. More detailed analysis shows that 80 (37%) of the attendees also shared an "IP33 1" postcode with the Corn Exchange itself. So, the Council can certainly be confident that it has captured views from people living or trading closest to the Corn Exchange who will be most directly affected by future uses of the building. However, as is to be expected for a process of this type, the sample is less representative of residents of the Borough as a whole who collectively fund the Corn Exchange through their council tax.

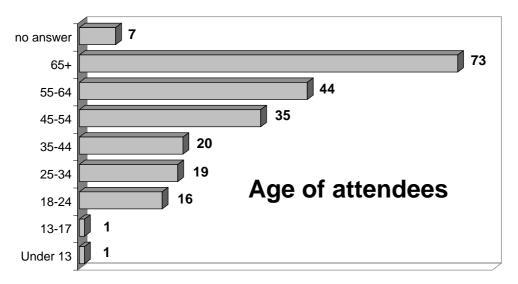


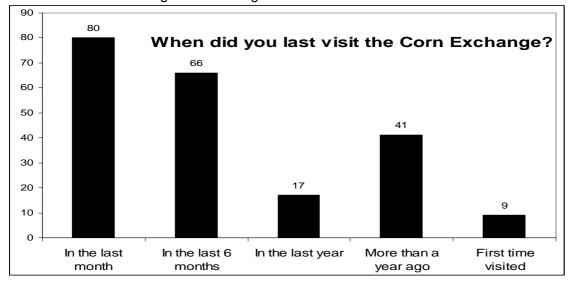
Fig 2

Figure 2 shows that, of the 209 attendees who gave their age, 73 (35%) were 65 or older, and that 152 (73%) were over the age of 45. This means that, as a sample of opinion, the consultation under-represents the views of younger people, albeit that 57 people under the age of 35 actually took part. Given that we know that most attendees live or work in the town, we can offer a limited comparison to the best information we have on age profiles for the area. For instance, ONS based estimates for mid-2007 indicate that 43% of residents in the County Council's Tower Division were 45 or older (compared to over 70% of attendees of the exhibition). The same 2007 comparative figure for the Borough's town centre Abbeygate Ward was 46%.

The gender of the attendees was fairly evenly split. Of the 211 attendees who gave this information, 102 were female and 109 were male.

3. Use of the Corn Exchange

To provide some context to the answers, attendees were also asked when they last visited the Corn Exchange. 213 attendees gave this information and, of these, only 9 or 4% had never visited the Corn Exchange before. Figure 3 shows the distribution in more detail.



Clearly, the vast majority of those taking part know and use the building. There are some age differences in the responses, generally reflecting a trend that, the older a respondent was, the more frequently s/he was likely to use the building in its current use. For instance, 43% of

attendees under the age of 35 had not visited the building in the last year (or at all), compared to only 18% of over 65s. In fact, 45% of the over 65s said they had visited the building in the last month.

4. Using the Council Tax to subsidise community uses of the Corn Exchange.

The information provided by the Council explained that it was possible for a bidder to seek a discounted rent if their scheme had a community benefit. Such an assessment requires a trade-off and, if a community use is chosen, it ultimately means that Council Taxpayers will subsidise it. Not directly, but indirectly in terms of the opportunity cost of receiving a lower rent (which in turn affects the level of Council Tax). It was felt that this was a critical contextual question to ask attendees, not least because of the severe financial constraints facing the public sector in the coming years.

In the context of these two short-listed bids, this question obviously applied to Abbeycroft but it also gives a useful general indication to councillors.

Fig 3

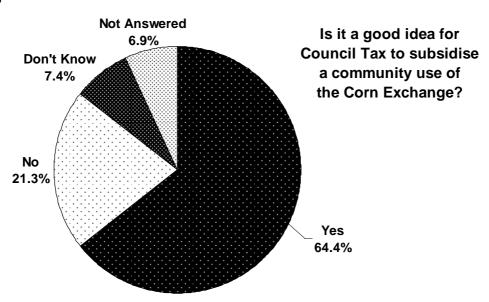


Figure 3 shows that nearly two-thirds of the attendees felt that it was acceptable to discount the rent for an appropriate community tenant of the Corn Exchange, even though this could have an impact on levels of Council Tax.

There was, predictably, a correlation between the answers to this question and views on the two schemes (since it was made clear that the Abbeycroft scheme would require a subsidy in the form a discounted rent). This can be seen in the fact that:

- 78% of the attendees who could not list anything that they liked about the Wetherspoon scheme (either leaving this blank, or actively stating "nothing", "not a lot", etc) felt that a community use **should** be subsidised; and similarly
- 60% of those who could not list anything they liked about the Abbeycroft scheme felt that
 a community use should not be subsidised.

There was also a contrast in responses by age of attendee. For example, nearly 80% of those over 65 supported a subsidy, compared to only around half of those aged 18-44. Postcode analysis also shows that those who live closest to the Corn Exchange are most likely to want to see a community use subsidised; 78% of those who shared an "IP33 1" postcode with the Corn Exchange supported the subsidy, compared with only 60% of those with IP32 or any other IP33 postcodes.

5. Recording views about the two schemes

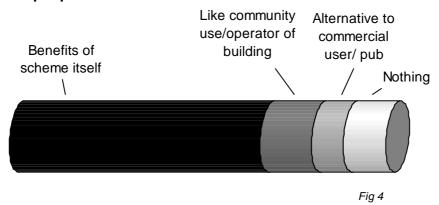
Attendees were asked to list up to three things they liked most about each scheme, and up to three concerns they had about it. There was also scope to include other comments on the form, and over 100 people took this opportunity, mostly explaining their responses in more detail, or adding additional things to their lists. So, from the forms, we have a good sense of the things people liked and disliked about both of the schemes.

Clearly, as people could use their own words, there were many variations of the same issues and, to assist in interpreting the results, we have therefore grouped 'types' of answers together in this report to give a general sense of the themes. Copies of the forms (with names hidden to protect confidentiality) will be available for inspection at the Council's offices.

It needs to be noted that people could list more than one like or concern for both schemes, and that many people liked and disliked things about both. Therefore, the data mainly shows the strength of feeling about particular issues associated with the individual schemes, which was the intention of the exercise. Percentage values are shown for responses made by more than 10 people.

6. Abbeycroft Leisure (ACL) scheme for children's play and community café

(a) What did people like about the ACL scheme?



As Figure 4 shows, the positive responses about the Abbeycroft (ACL) scheme fall into four distinct groups. The first, largest and most important group of comments for the Council to consider are those about the benefits of the scheme *in its own right*. Remembering that the same people may have made more than one of these comments, these broke down as follows:

- **100** attendees (46%) felt that the scheme would improve the area's existing facilities for children and families in some way
- **70** (32%) also felt that the scheme would add to the 'offer' of Bury St Edmunds Town Centre, benefitting from a central location and also linking with town centre activities such as shopping
- **37** (17%) felt that the scheme would make a positive contribution to wellbeing by promoting play, health and fitness
- **18** (8%) responded positively to the plans and designs for the building displayed by ACL at the exhibition (including catering)

- 6 stated that the scheme offered something new, different or unique
- 6 also felt that there was potential to link the scheme to the work of other partners working with young people and families, including education
- 5 simply liked everything about it, or just wanted to say they thought it was a good idea (and a further one person felt it was a "reasonable" scheme).
- 3 spotted the potential to develop crèche facilities for shoppers, etc in the future (not currently planned)
- 2 specifically mentioned how the scheme would be useful as a place to get exercise and to play in the winter or during bad weather
- 1 person mentioned how much they liked similar schemes elsewhere
- 1 person felt there was scope to widen the scheme for older children/teenagers (something ACL have said they could consider)
- 1 person felt it was financially sustainable, and another wanted to point out that it represented a very small opportunity cost to the taxpayer compared to its community benefit.

As a second group, **46** (21%) attendees also liked the idea that the ACL scheme was a community use of the building, many highlighting the benefits of providing a place for families to socialise. Added to this, **6** people also liked the scheme because ACL themselves were proposing it; ACL being an organisation they liked/trusted, which has a local focus and/or is not for profit.

In summary, most of those who attended could see positive community or economic benefits in the scheme, which is an important test for the wellbeing assessment in the asset management process. This is not to say that these same people did not have concerns about the scheme, or that they necessarily favoured it overall.

A small number of people, however, also responded positively to the ACL scheme on the basis that it was an alternative to either a commercial tenant or the Wetherspoon scheme in particular i.e. not necessarily on its own merits:

- **12** (6%) people specifically stated they liked because it was not a pub scheme, or it offered the alternative to that scheme
- 7 liked it because, in their view, it would not generate anti-social behaviour, noise, smoking outside, etc and/or because it would have a low impact on nearby residents and businesses
- 4 liked the fact it would not have a night-time use
- **5** people thought it was the best use for the Corn Exchange (of the two offered), several referring to it having the least impact on the building
- 4 people liked it because it kept the building in public ownership and/or maintained public access.

The final category of things people liked about the scheme were, in fact, negative. **9** people stated that they liked "nothing" about the scheme. It is also fair to record that **34** attendees made no comment at all, leaving this section of the form blank, meaning that 43 people in total (20%) did not offer positive comments about the scheme.

(b) What concerned people about the ACL scheme?

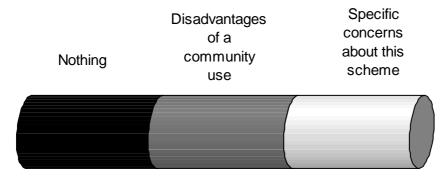


Fig 5

Concerns about the ACL scheme fell into three fairly equal groups. The most common response was actually to record no concerns at all: **51** people leaving the section blank but **45** positively stating "no" or "none". These 96 people represent 47% of the attendees.

Concerns stated about the scheme tended to fall into two further categories. The first set covers concerns about the viability or desirability of such a community use:

- 41 (19%) attendees expressed a concern that the scheme was financially unsustainable or too risky for ACL at tenant and/or the Council as landlord. Another person expressed the view that ACL would be unable to invest enough money in the building.
- **16** (7%) also expressed a concern that the ACL scheme required a subsidy from the taxpayer. This compares with the 21% of attendees overall who did not feel community uses should be subsidised.
- **11** (5%) people were concerned that there was a limited market for this use, or that the effect of the recession could damage its viability.
- 3 felt that such a scheme would deny use of the building to certain groups in the community, and another 8 specifically commented that the use did not offer anything for older people (11 or 5% in total).
- 8 were concerned that the use would mean that the building was not used in the evening.
- 6 also felt it was an inappropriate use of a public hall/historic building.
- 3 simply stated "yes".
- 1 attendee felt the scheme did not create enough new jobs.
- Only 1 attendee expressed a concern about ACL themselves as an organisation.

The second set of concerns raised specific issues about the scheme itself which ACL or the Council would need to address:

• **35** (16%) attendees were concerned about the lack of designated parking immediately outside the venue. Another **7** people commented on other traffic issues (difficulty of servicing, increase in road traffic outside Corn Exchange, etc).

- Linked to this, **11** (5%) felt that this was the wrong location for such a scheme.
- 11 (5%) were also concerned about the first floor access for this use.
- 16 (7%) attendees raised concerns in respect of the current business plan:
 - o 11 people felt it offered nothing for older children/teens
 - 2 felt ACL should develop the provision for parents and carers
 - o 2 felt the scheme could be more commercial
 - o 1 commented that parents could not leave children in some kind of crèche facility
- 6 felt that the pricing structure proposed by ACL was too expensive or did not offer value for money.
- 5 raised health and safety issues for children, primarily in relation to the building's steps or road safety outside.
- 5 felt that the use would create noise or nuisance for nearby properties.
- 4 commented on the need for improved ventilation and cooling of the building.
- 2 felt that this building was not suited to this specific use, and another person commented the building was too big for indoor play.

7. JD Wetherspoon PLC (JDW) – pub and family restaurant

(a) What did people like about the JDW scheme?

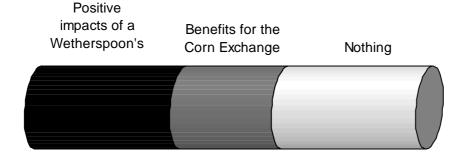


Fig 6

As with responses about Abbeycroft, it has to be noted that many people listed likes and dislikes about the Wetherspoon (JDW) scheme, and that the same health warnings about the data apply. As Figure 6 shows, the responses also fall into one of three broad categories.

The first category of perceived benefits relate to what attendees saw as the positive impacts that a new Wetherspoon would have in the town:

- **30** (14%) of attendees felt that the scheme would improve the pub and restaurant offer of Bury St Edmunds. Another person pointed out that the business would predominantly be a restaurant.
- **14** (6%) people also stated that increased competition for local pubs, restaurants and breweries would be a positive thing. One other person also stated that JDW did not put

other pubs out of business when they previously operated in the town, and felt that pubs closed due to poor management rather than increased competition.

- 23 (11%) also perceived that JDW would offer more affordable food and drink for customers
- 21 (10%) also said that they liked Wetherspoon as a company, or the way it managed pubs elsewhere. Another person felt that a pub company such as JDW would bring community benefits through involvement in the life of the town e.g. sports teams sponsorship.
- **11** (5%) also liked the fact that a JDW pub would cater for people of all ages and families, several seeing this as a sociable community use of the building.
- 5 mentioned the number of jobs that the scheme would create
- 3 commented that the scheme would represent a significant inward investment of private funding in the town
- 1 person commented that the scheme was no different to other pubs/bars recently given permission to open nearby, and another attendee commented that, while it was the wrong building, a JDW pub was a 'nice idea'.
- 1 person said they liked 'everything' about the idea.
- 1 person also liked the fact that JDW pubs have no music.

The second category covers the specific benefits that people saw in relation to having Wetherspoon as the tenant of the Corn Exchange:

- 28 (13%) attendees liked the detailed plans/designs that JDW presented for the building at the exhibition; one of these people also commenting specifically that the JDW scheme would fundamentally keep the building as it is.
- **26** (12%) felt that JDW would be able to invest significantly in the fabric of the building. Another person liked the fact that the JDW scheme would fill the space and keep the building in use.
- Similarly, **18** (8%) highlighted as a benefit the fact that JDW would provide a higher rent to, or require no subsidy from, the Council Taxpayer, or would be the least risky option to the Council, financially.
- **9** people were impressed with the track record of JDW in converting and running historic and architecturally significant buildings elsewhere, which was a feature of the Exhibition.

The final and largest category of responses to this question was, in fact, negative about the JDW scheme. **69** attendees (32%) specifically stated that they liked "nothing" about the scheme, and a further **3** said "not a lot/much". **One** respondent (a licensee out of the town centre) said that he could see no benefit other than the fact that it would increase his own custom by driving certain diners out of the town centre. In addition, **44** people (20%) left the section blank. This means that just over half of attendees (117 or 54%) said nothing positive about the JDW scheme in their feedback.

(b) What concerned people about the JDW scheme?



Fig 7

As a first category of responses, **42** attendees (19%) raised no concerns about the JDW scheme at all: 29 leaving the section blank and 13 stating "no".

The second group of responses (and the largest in the consultation) relates to concerns:

- **97** (45%) attendees felt that there were already enough or too many pubs, cafes and restaurants in Bury St Edmunds
- **54** (25%) were worried that a Wetherspoon would have an adverse impact on existing food and drink businesses in the town
- **34** (16%) were concerned that the scheme would encourage increased alcohol consumption and a larger drinking culture in the town, with several referring to the health aspects of drinking
- 91 (42%) expressed fears that a large new pub would increase problems of noise, antisocial behaviour, litter, criminal damage, etc, particularly late at night, to the detriment of local residents and businesses. 1 other specifically commented that it would increase the cost of policing
- 8 were worried about the impact on neighbouring businesses of a large pub
- 7 raised specific concern as to whether the pub would be well managed enough to cope with the above issues, and provide adequate door security
- **21** (10%) felt that a large new pub would change or harm the reputation or character of Bury St Edmunds
- 3 felt a JDW in the Corn Exchange would devalue nearby business and residential property
- 3 felt a large new pub would increase existing pressure on town centre parking
- **10** (5%) referred to bad experiences of Wetherspoon pubs elsewhere or said that they did not like the way the company operated.

Thirdly, some attendees raised concerns specifically in relation to the use of the Corn Exchange as a public house/restaurant:

- 23 (11%) attendees felt that a pub use was inappropriate for the Corn Exchange as a public and/or historic building
- 3 specifically raised concerns about the architectural plans/designs displayed by JDW at the exhibition
- 16 (7%) were concerned about the customers of the pub smoking outside the building
- **9** pointed out that the Council had already refused planning permission for a pub use of the Corn Exchange, or felt that it breached planning policy
- Another 9 felt it was the wrong place for a large new pub
- 8 were worried about the suitability of a first floor access
- 6 felt the building was too large for use as a pub
- 4 were worried about increased traffic around the building, including in relation to JDW's servicing needs
- 3 felt a JDW tenancy would deny use of the building to others, limiting its community use, or would mean the build being under-used during the day
- 2 commented on the need to address ventilation/temperature issues
- 1 person felt the building was too small for a JDW, and 2 others were concerned about the size of the bar proposed or the presence of big screen TVs respectively. 1 attendee also felt the scheme needed a dance floor.

8. Other comments

The reverse of the feedback form was left blank for comments, and over 100 people took this opportunity. The majority of these comments have been grouped in the analysis above since they either expanded on the earlier responses or added new likes or concerns. However, there were other comments which cannot be grouped as likes or concerns about either of the schemes, and these can be summarised briefly as follows:

- 6 liked the consultation process
- **7** criticised the consultation process and/or the marketing process, some requesting more time to develop alternatives.
- 12 attendees did not like either scheme and/or wanted more choice
- 2 felt it was inevitable or predetermined that the Council would choose Wetherspoon
- **20** wanted to express a definite preference (or "vote") for one of the two schemes: 13 for Wetherspoon and 7 for Abbeycroft
- 3 commented how hard it was to decide between the two, weighing community benefit against financial gain
- Several attendees expressed preferences for alternative uses:

- o 4 for a museum, clock museum and/or art gallery
- o 3 for a centre for small businesses (i.e. similar to the Bury Society proposal)
- o **3** for a craft/antiques market
- o 3 for retail uses
- o 1 for a farmers' market/food hall type use
- 3 wanted the building left as it was now, as a public hall.
- 11 were critical of the Council's decision to build the Apex within the arc development, and/or to cease using the Corn Exchange as a public hall (which some felt the Council could afford to keep in public use).
 1 person was also critical of the current charging policy for the public halls.
- 2 were critical of the strategy for Bury St Edmunds/the town centre and 2 more were critical of the Borough Council generally.
- Several people asked that the Council adopt one of several approaches to its decisionmaking on the Corn Exchange:
 - 5 urged the Council not to make its decision purely on financial grounds, but to look at the wider picture
 - 1 asked the Council to think about the wider impact on business rates if other firms suffered or left the town
 - o **2** felt the needs of residents must be put first
 - o 1 felt that getting the best financial return for the taxpayer was the priority
 - o 1 felt the Council should serve the silent majority and not a vocal minority
 - o 1 asked the Council to prioritise 'local' uses
- 1 felt that large PLCs must be made to deliver what they had promised to the town prior to contracts being signed for developments, etc in the town
- 4 raised specific issues about the building, not specific to one of the schemes, covering: ventilation, access, renewable energy and the quality of food and drink served in it.

9. Feedback received from people who did not attend the exhibition

As at the 18 June, the Borough Council's officers had also received feedback from 12 local residents who were unable to attend the exhibition, or wanted to write separately. These views are equally important but they are recorded here separately as the respondents did not have the benefit of seeing and discussing the information about both schemes at the exhibition before providing their comments:

- 9 of the 12 highlighted advantages of the Abbeycroft scheme. However, 1 also raised some concerns about it (parking, access and safety)
- 1 person considered that the Abbeycroft scheme was inappropriate for the building
- 3 (who phoned in and were therefore able to answer the same questions) said they thought it was a good use of council tax to subsidise a community use
- 1 person did feel that Wetherspoon would offer affordable food and drink (although this person expressed a preference for Abbeycroft overall)
- 7 wanted to raise objections to the Wetherspoon proposal, largely for the same reasons as those who attended the exhibition
- 1 person simply asked the Council to consider converting the Corn Exchange into a clock museum, and 1 argued for a craft/antiques market
- 1 person urged the Council not to make the decision on purely financial grounds.

10. The Bury Society and Suffolk Preservation Society

The Council has received a formal response from the Bury Society for inclusion in this report, which is attached to this appendix. The statement expresses support for the Abbeycroft bid (of the two short-listed bids) but also asks for a deferral of the decision to allow more discussion of other options, including the Society's own proposal for a business design centre. More information can be found on the Society's website at: http://www.burysociety.com/Actions/Corn Exchange/corn exchange.html .

The Society has also issued a joint press release with the Suffolk Preservation Society which strongly opposes the use of the Corn Exchange as a pub and urging more time to consider options.

11. Other independent consultation and debate

Although the Council had no role in organising or analysing them, there were several other independent consultations carried out on the future use of the Corn Exchange.

As reported in May, the two local ward members, Cllrs Farmer and Rout, also asked all households in the Abbeygate Ward (circa 2,700) for their views regarding the possibility of a pub use via a recent newsletter. There were 25 replies, of which 23 were against and two for.

A further survey carried out by Cllrs Nettleton and Ereira-Guyer with residents of the Tower Division of Bury St Edmunds elicited over 60 responses, over 50 of which did not want to see the Corn Exchange turned into a pub, or the council to appeal against the refusal for change of use. The remainder wanted to see the Corn Exchange turned into a pub and/or asked for new drinking establishments within the town centre. A variety of other uses were proposed by residents in the survey, some of which matched the bids actually received or the Bury Society's proposal. Other suggestions included indoor markets of various types, drop-in centre for older people, museum and restaurant. Through the councillors' consultation, the Council has also received a suggestion from a local resident who specialises professionally in developing business cases that the Council or partners should explore the commercial case for a use combining smaller-scale bar, café, and permanent indoor market (of a farmers' market/food hall type).

The Borough Council has also been made aware that a local resident has independently set up a Facebook page called: "Bury St Edmunds. Give us Wetherspoon's not Abbeycroft!!!" The information on the page actively promotes the consultation exercise and urges people to support the Wetherspoon bid. The reasons given on the page for supporting the company's bid are similar to those given by people who attended the exhibition, mainly focusing on the relative cost of the two schemes to the taxpayer and how a Wetherspoon will add to the range of affordable places to eat and drink in the town, as well as pointing out that this use of the building will cater for a wider range of people than a children's play centre. The page can be accessed at

http://www.facebook.com/group.php?gid=121286991243169

and, as at 19 June, it had over 290 members.

THE BURY ST EDMUNDS SOCIETY

FUTURE USE OF THE CORN EXCHANGE

We were pleased to attend the 'drop in' consultation opportunity on Tuesday 15 June for the two options being presented by JD Wetherspoon's and Abbeycroft Leisure resulting from the Council's bid process.

We would like to make the following comments.

Abbeycroft Leisure

This proposal of a soft play area for children as a use for the Corn Exchange we fully support since it will fulfil a need and provide a great benefit and support to the local "community" not only as a facility for the heart of town but an attraction that would bring in many more families and as a result take advantage of all the shops and other attractions our town offers. We consider this a far more appropriate and beneficial use of this important building.

JD Wetherspoon's

This option is one the Society will continue to object to, based on the following points:

- 1. We believe that the town does not need a large pub providing low cost food and drink when there are already enough 'drinking establishments' providing a very good mix of restaurants and bars in the town. All of these contribute to the valuable and unique environment that make up the character of Bury St Edmunds. We believe that allowing a low cost chain like Wetherspoons to come in and compete with these existing businesses will ultimately destroy the local economy and diversity of our town which in today's difficult trading climate needs all possible support.
- 2. On the 1st April, St Edmundsbury Borough Council's Development Control Committee refused its Regulation 4 Application to change the present use of the First Floor and part of the Ground Floor of the Corn Exchange to Use A4, Drinking Establishment, because the proposal would be contrary to Policy TCR2 of the Replacement St. Edmundsbury Borough Local Plan 2016 in that it would create a large drinking establishment which, by virtue of its scale and size, would result in an unacceptable intensification of the present use of the site with late opening hours 7 days a week, leading to an increase in associated unsocial activities that would adversely affect the amenity of the surrounding area by virtue of noise, congestion on the pavement and disturbance.

It is incomprehensible that the Council would reverse this decision after stating that there could be no further comment or action.

We certainly endorse this decision, since we believe that to increase the opportunities for the wide consumption of cheap alcohol would lead to even more anti-social behaviour than is already experienced in the town centre, and this would be highly detrimental to the area.

The effect on the 'day time' economy of other businesses, apart from food and drink outlets, must also be considered with regard to their properties and maintaining an attractive environment.

The 'evening economy' is important but it must be balanced, reflecting the needs of all the community, especially those who have chosen to live in the town centre, of which there are a high proportion, and who support the economy and pay their council tax.

The recent application now approved for a change of use for 2 Abbeygate Street to a Bar/Café to accommodate over 200 people, licensed for late night drinking to 1.30am on Fridays and Saturdays, will ultimately contribute to the possibility of serious disturbance and noise if a large drinking establishment catering for 400 drinkers is allowed into the Corn Exchange just a few yards away. There could even be conflict.

We consider that there is great danger of the heart of the town becoming a serious social problem in the evenings, detrimental to the amenity of the area not only for residents but also for our many visitors.

Conclusion

The Bury Society has put forward proposals on the idea of creating a 'Business Design Centre' providing opportunities and support to young people wishing to set up their businesses. We have appreciated the meetings that have taken place with Officers to discuss these and would welcome the opportunity to take these ideas forward if the Council should wish to consider other options for the use of the Corn Exchange. We respectfully request consideration to a deferment of the decision being taken on the future use of the Corn Exchange to allow further discussion.

This fine iconic and historic building is a very important public asset, and we consider that sometimes it is necessary to highlight the value of our heritage as well as the needs and aspirations of the Community. These should outweigh financial considerations to ensure the future wellbeing of our town and its citizens.

18th June 2010

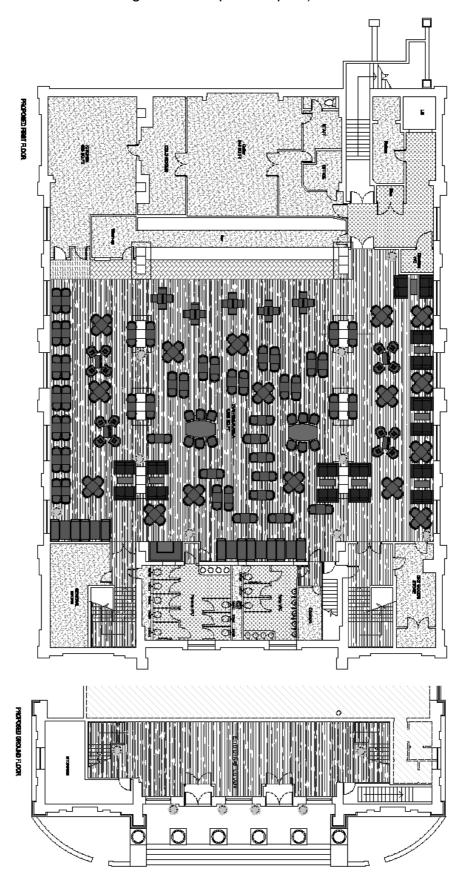
Indicative drawings and plans for the two short-listed bids For the Corn Exchange, Bury St Edmunds, June 2010

The attached plans have been provided by (and are reproduced with the kind permission of) the two bidders, and were used at the consultation event on 15 June.

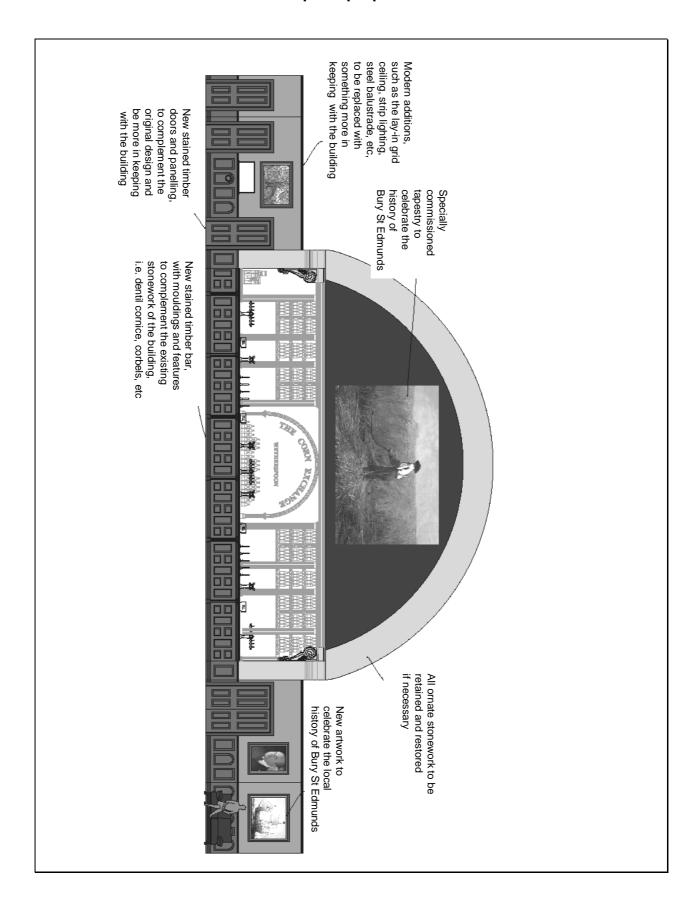
They are indicative only to provide an idea of the kinds of schemes which *may* be considered. They have <u>not</u> been considered formally by the planning authority or in relation to any other necessary consents.

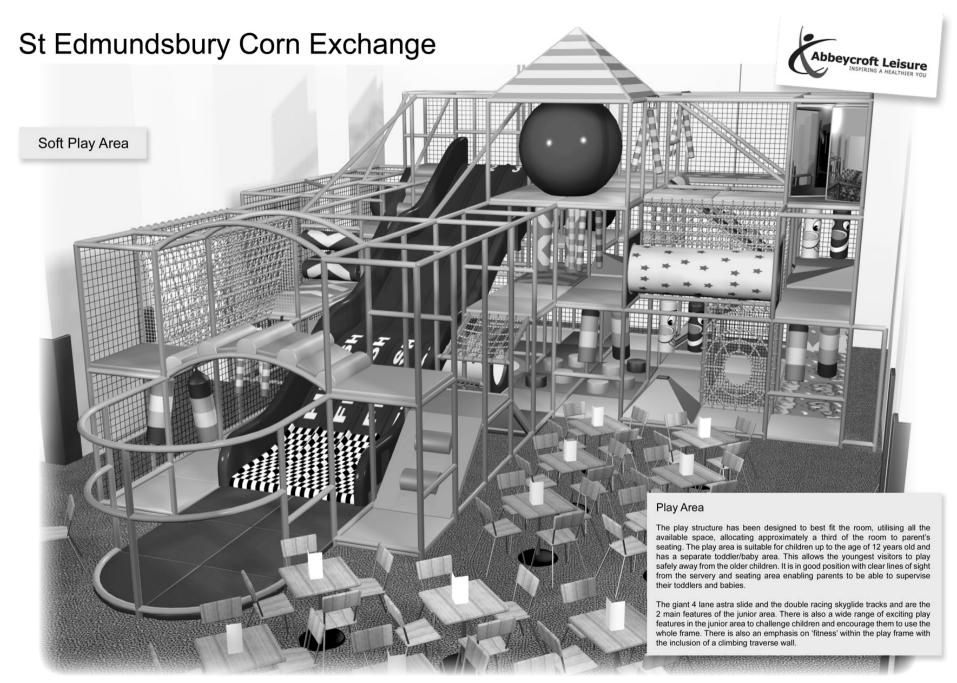
The copyright of these drawings belongs to the two organisations, or their agents, and should not be reproduced elsewhere without their permission.

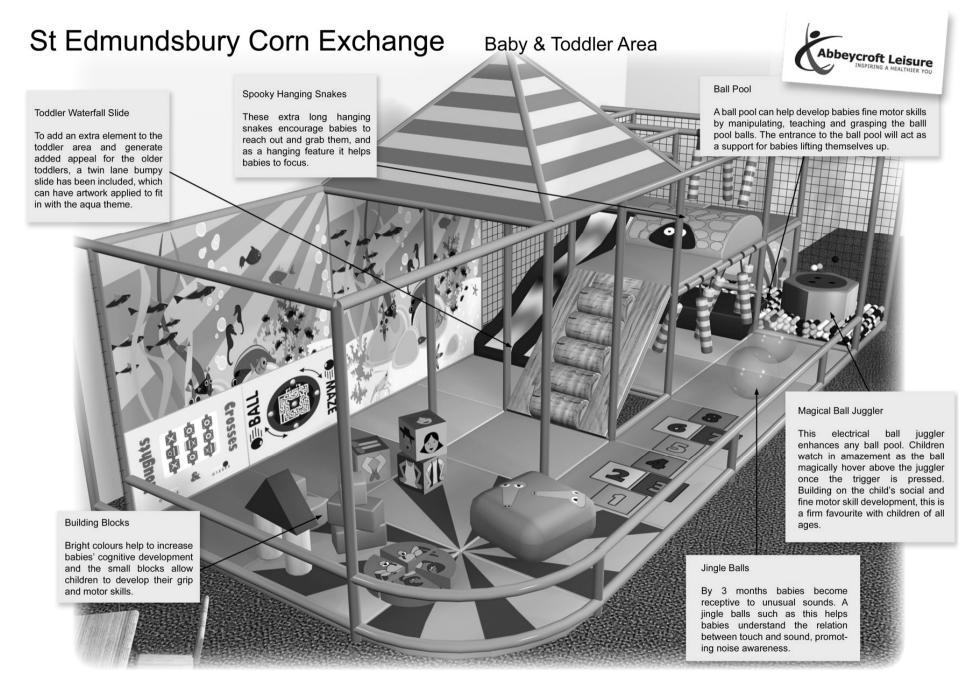
1. Indicative layout for Wetherspoon proposal (the 'stage' end of the building is at the top of the plan).

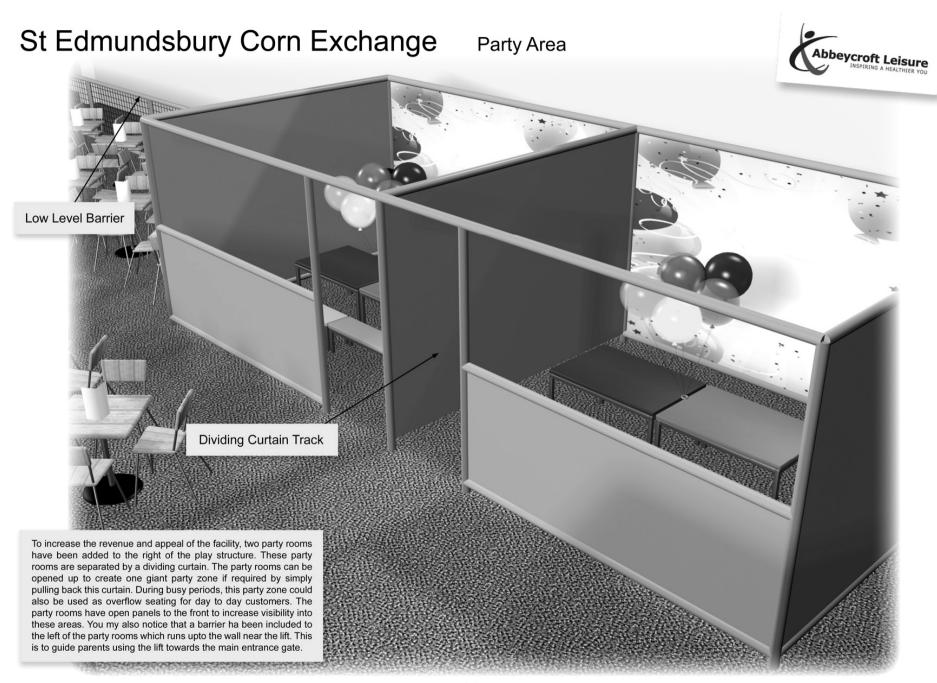


2. Bar and elevation for Wetherspoon proposal









Options considered for the future use of the Corn Exchange

- 1. The Council's asset management review of the building in March 2004 considered a broad range of uses. The economic climate is somewhat different to that of 2004 when the previous AMP options report was approved. The previously favoured options have been reconsidered and extended in the context of recent consultation, including broadly how the building layout and existing facilities at the Corn Exchange might accommodate the alternative uses. The proposals have been discussed from planning and conservation viewpoints in terms of acceptability of principles. However, any conversion works, particularly those involving creation of mezzanine floors, would require careful design sympathetic to the listed building status of the Corn Exchange.
- 2. Major factors in the investigations have been the current economic and property climate, and the changed profile of Bury St Edmunds with the new facilities of the arc and a multiplex cinema and restaurant complex, and the Apex due to open later this year. The financial position of the Council and the Five Year Model are also critical in considering the options.

3. <u>Alternative operational uses – ie retain for service delivery</u>

• Retain in some form of hall use:

Exhibition/hall uses were considered in 2004, including an estimate of the capital cost of modernising it. The uses were rejected on the basis of a desire to maximise the utilisation of the Apex and this position is unchanged. The Council has not made any provision in future budgets for operating or subsidising the Corn Exchange in any capacity, and this would require a growth bid, at a time when considerable savings will be required elsewhere. The 'status quo' option of retaining it as a third public hall would require a budget growth bid likely to be in excess of £100,000 (or £3 per Band D taxpayer) a year.

• One-stop shop, shared with other public sector partners:

At the time of the AMP review, both St Edmundsbury and Suffolk County Councils were considering a town centre facility. West Suffolk House now functions as front of house for both councils.

Museum:

The AMP review of Heritage Services in 2005 concluded that rationalisation of museum buildings was the favoured option and therefore the Corn Exchange was not required for service delivery.

• No other operational uses for the Borough Council were identified.

4. <u>Alternative non-operational uses – ie not used for direct service delivery</u>

Retail:

Further shop floorspace was not appropriate when the arc opened. It would be unlikely to attract a good quality occupier. The project would be risky.

• Offices:

While it was envisaged that the space could be retained as open plan or create a suite of offices, taking advantage of the central height to provide some mezzanine space, there may be difficulty in dividing the space into smaller units. Town centre space with no parking may not be viable and is risky.

Restaurant:

In 2004 this was a buoyant sector, reflecting the social changes of people eating out more regularly. The position has somewhat changed, now that most major chains are represented in the town. However, the Corn Exchange does still lend itself to this use for some formats.

• Other leisure:

The first floor is thought to be too small for use as a nightclub and substantial noise attenuation and air conditioning systems would be necessary. The use was discounted. It may be suitable as a bar or club also catering for daytime family food and drink. Other leisure uses could include keep fit and crèche. In current market conditions these uses are less risky and can represent a good use of large listed buildings.

Residential:

Unlikely to be acceptable - adverse effect on the form of the building by subdividing and therefore too risky.

• Community:

As the bidding process demonstrates (with 3 of the 4 initial bids falling in this category) the Council does consider community management and ownership of assets as part of options appraisal for asset management (Paper Y221 refers). However, it is worth noting that some of these community uses might be accommodated in the various flexible spaces of the Apex. This would be consistent with the Apex's business plan and the Council's ambition for the building to be busy throughout the week, used by the whole community. The Council cannot subsidise any occupier of the Corn Exchange, nor should a use be allowed which would in any way compromise the business plan and utilisation of the Apex, the Athenaeum or the activities of other key partners such as Abbeycroft Leisure or West Suffolk College. In the last year, many of the Council's partners have been encouraged to consider the potential of the Corn Exchange for their own operations. Several potential uses have been seriously examined with partners but have not been deemed feasible due to the cost, size or first floor location.

Art Gallery:

While the building could lend itself to the use, substantial capital would be required to create a controlled environment. The use was discounted in 2004 on the basis of unknown funding sources.

Do nothing:

If no viable or acceptable uses can be found, the most financially advantageous option for the Council may be to close it for a temporary period. If the building is mothballed, running costs are still likely to be around £30,000 a year.

5. Conclusion of 2004 report

5.1 The 2004 report considered the asset management options of retain, sell or work in partnership. It was concluded that the most financially advantageous route for the Council would be to let the first floor for a commercial use and retain the ground floor leasehold interests. It would also be desirable, if possible, to encourage public access to the interior of the first floor. It was therefore resolved that the Corn Exchange upper floor would be declared surplus to operational use when the Apex is opened and be retained as a non-operational property for conversion, in partnership, to an alternative use.