

**TITLE OF REPORT: LETCHWORTH MUSEUM, TOWN LODGE & ASSOCIATED PROPERTIES**

REPORT OF THE HEAD OF FINANCE, PERFORMANCE & ASSET MANAGEMENT

PORTFOLIO HOLDER: COUNCILLOR T.W. HONE

**1. SUMMARY**

- 1.1 To inform Cabinet of plans for temporary reuse by the District Council of Letchworth Museum and Town Lodge and to advise that at a later date an option appraisal will be reported to Cabinet about Letchworth Museum, Town Lodge and adjacent properties.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet approves the temporary arrangements for use of Town Lodge and Letchworth Museum for decanting office space as part of the arrangements for alternative office accommodation during the refurbishment of the District Council Office in Gernon Road, Letchworth.
- 2.2 That at a later date an options appraisal report is brought to Cabinet to review alternatives for the District Council's property interests at Gernon Road and Broadway including Town Lodge, the print and store buildings and Letchworth Museum.

**3. REASONS FOR RECOMMENDATIONS**

- 3.1 To provide temporary Council offices during the 2016 refurbishment of the District Council offices.
- 3.2 To indicate to Cabinet that an assessment of long term options for this site will be brought forward subsequently.

**4. ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 Using temporary accommodation elsewhere including portacabin accommodation or staff remaining in the District Council's office during the refurbishment.

**5 FORWARD PLAN**

- 5.1 This report contains a recommendation on a key decision that was first notified to the public on the Forward Plan in July 2013 (Town Lodge) and December 2013 (Letchworth Museum).

**6. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS**

- 6.1 As this is a corporate matter regarding the provision of Council services for the whole District there has been no consultation with Ward Members.

## **7. BACKGROUND**

- 7.1 The District Council owns the long lease of its main offices in Gernon Road, Letchworth. Funding was approved by Full Council on 18 July 2013 for refurbishment of the building. The works are planned to take place during part of 2016. Investigations have confirmed the need to replace the curtain walling (including the windows) and this was included in the approved budget. The existing curtain walling has not been replaced since it was installed when the offices were constructed in the 1970's.
- 7.2 The refurbishment works will have a negative impact on the day to day operation of the District Council's offices including access by the public and meetings provision. Consultants have been employed to look at the various options for providing office space during the refurbishment. They identified that the most economical solution is to relocate all the staff out of the District Council Office into Town Lodge and Letchworth Museum. Letchworth Museum is due to become vacant in 2015 when the Museum Service relocates to the new District Museum currently under construction at Hitchin Town Hall.
- 7.3 The office decant will allow the District Council to continue to provide "walk in" services to the public in a safe location away from the site of the refurbishment works. In conjunction with homeworking the decant space will allow staff to continue to work without being disrupted by building works going on around them.
- 7.4 Options are being investigated for relocation of Council meetings during the refurbishment. Due to the layout of Town Lodge and Letchworth Museum it is not planned to provide space for committee meetings in either property.
- 7.5 The refurbishment of the District Council Offices is due to be completed by around December 2016. Both Town Lodge and Letchworth Museum will become vacant after staff move back to the main office and will then be available for alternative use.
- 7.6 The District Council owns a number of freehold and leasehold properties in the vicinity of Letchworth Museum and Town Lodge. Other freeholds are owned by Letchworth Garden City Heritage Foundation and Hertfordshire County Council.
- 7.7 The freehold of Town Lodge is owned by Letchworth Garden City Heritage Foundation. The District Council's 99 year lease continues until June 2022. The District Council owns the freehold of the land to the rear of Town Lodge as well as the freehold of Letchworth Museum and the print facility and warehouse store in Gernon Road next to Town Lodge.
- 7.8 It is proposed to explore options for Town Lodge and some of the other adjacent buildings once a date has been finalised for relocating the decanted staff from Town Lodge and the Museum back into the District Council Offices. This review is currently estimated to be able to start in late 2016 or early 2017. A report will then be brought to Cabinet about the District Council's property interests at Gernon Road and Broadway.
- 7.9 The refurbishment of the District Council Offices is identified as a project in the Priorities for the District and supports the priority of living within our means. Disposal of Council assets is similarly identified to support the priority of Promoting Sustainable Development.

## **8. ISSUES**

- 8.1 Whilst the District Council has a short term plan for reuse of some of its properties in Gernon Road and Broadway, over the next two years or so some or all are likely to become vacant and surplus to the District Council's requirements.
- 8.2 Although the buildings are currently required for operational purposes and have not yet been declared surplus, third parties have already approached the District Council to make enquiries about when they might be available. The applicants have been advised that the District Council has short term operational needs for the buildings and that they have not been declared surplus yet. Two of the applicants have indicated that this timetable could be accommodated within their own plans.

## **9. LEGAL IMPLICATIONS**

- 9.1 Clause 5.6.16 of the Constitution delegates to the Cabinet the power to manage and maintain the Authority's accommodation.
- 9.2 The District Council owns the freehold of Letchworth Museum and occupies Town Lodge by virtue of a 99 year long lease.

## **10 FINANCIAL IMPLICATIONS**

- 10.1 The analysis of alternative decanting options has identified that utilising Town Lodge and Letchworth Museum is the most cost effective option as this does not involve renting office space or hiring portacabins. The estimated cost of the preferred option is £175,100, whereas the next option, which considers the availability of serviced offices should these be available and suitable, has a cost of £233,000. The third 'self delivery' option has a cost of £555,000.
- 10.2 The costs for buildings and facilities related expenditure incurred in decanting staff can be accommodated within the overall project budget.
- 10.3 Initial indications from interested parties suggest that a rental income stream can be generated from the Council property once they have been declared surplus to requirements.

## **11 RISK IMPLICATIONS**

- 11.1 There are two Top Cabinet risks that are relevant to this report. The first one relates to Office Accommodation and the project to refurbish the District Council Offices. In order to mitigate the risk of continuing to provide services during this period, decanting into Town Lodge and the Museums building is the preferred option.
- 11.2 Asset Management is the second Top Risk that is relevant. This describes the risks caused by the District Council's ageing assets and the provision of maintenance and repair. Once the refurbishment of the District Council Offices is complete, Town Lodge and the Museum building could be declared surplus to requirements and disposed of which would terminate the risks from maintaining these buildings. As well as reducing the costs to the District Council of maintaining the buildings there is an opportunity arising to either increased revenue income from renting or obtain a capital receipt from a sale. If the buildings are maintained or demolished this would bring back into use an important part of Letchworth.

- 11.3 Individual risks that describe the risks to disposing of Town Lodge and the Letchworth Museum have been identified and recorded.
- 11.4 The Project risk log for the refurbishment of the District Council Offices has identified the following risks that will be resolved through decanting staff to alternative premises:
- Disruption to business as usual and public access requirements
  - The requirement to co-ordinate floor by floor decanting to keep the DCO semi-operational during building works
  - Reliability and resilience of IT networking provision in the DCO during building works.
  - Potential health & safety issues with regard to staff and public in close proximity to building works

## **12. EQUALITIES IMPLICATIONS**

- 12.1 The Equality Act 2010 came into force on the 1 October 2010. The Act created a new Public Sector Equality Duty, which came into force on the 5 April 2011. There is a general duty, described in 8.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 12.3 The relocation of the Council's outward facing services for the public will enhance its ability to engage with residents. Amongst those who regularly access Council face to face engagement will be those who exhibit a protected characteristic. Additionally staff that exhibit a protected characteristic (and those who don't) will be able to continue their daily work without being unduly affected by the renovation works to the Gernon site.

## **13. SOCIAL VALUE IMPLICATIONS**

- 13.1 As the recommendations made in this report do not constitute a public sector contract, the measurement of "social value" as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraph 12.

## **14. HUMAN RESOURCE IMPLICATIONS**

- 14.1 There are no human resource implications arising from this report.

## **15. CONTACT OFFICERS**

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**16. BACKGROUND PAPERS**

16.1 Land Registry Title Numbers HD442063, HD497768, HD498502, HD504642  
& HD505787.