

Public Document Pack

9 November 2018

Our Ref HD/Cabinet/20.11.18
Your Ref.
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To: Members of the Cabinet:

Councillor Lynda Needham, Leader of the Council (Chairman)
Councillor Julian Cunningham, Executive Member for Finance and IT & Deputy Leader of the Council (Vice-Chair)
Councillor David Barnard, Executive Member for Leisure and Green Issues
Councillor Tony Hunter, Executive Member for Community Engagement and Rural Affairs & Chairman of Royston and District Committee
Councillor David Levett, Executive Member for Planning, Enterprise and Transport
Councillor Bernard Lovewell, Executive Member for Housing and Environmental Health
Councillor Michael Weeks, Executive Member for Waste Management, Recycling and Environment

You are invited to attend a

MEETING OF THE CABINET

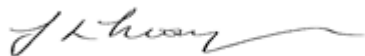
to be held in the

**COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, GERNON
ROAD, LETCHWORTH GARDEN CITY**

on

TUESDAY, 20TH NOVEMBER, 2018 AT 7.30 PM

Yours sincerely,



Jeanette Thompson
Service Director – Legal and Community

Agenda **Part I**

Item	Page
1. APOLOGIES FOR ABSENCE	
2. NOTIFICATION OF OTHER BUSINESS Members should notify the Chairman of other business which they wish to be discussed by the Cabinet at the end of either Part I or Part II business set out in the agenda. They must state the circumstances which they consider justify the business being considered as a matter of urgency. The Chairman will decide whether any item(s) raised will be considered.	
3. CHAIRMAN'S ANNOUNCEMENTS Members are reminded that any declarations of interest in respect of any business set out in the agenda, should be declared as either a Disclosable Pecuniary Interest or Declarable Interest and are required to notify the Chairman of the nature of any interest declared at the commencement of the relevant item on the agenda. Members declaring a Disclosable Pecuniary Interest must withdraw from the meeting for the duration of the item. Members declaring a Declarable Interest, wished to exercise a 'Councillor Speaking Right', must declare this at the same time as the interest, move to the public area before speaking to the item and then must leave the room before the debate and vote	
4. PUBLIC PARTICIPATION To receive petitions, comments and questions from the public.	
5. ITEMS REFERRED FROM OTHER COMMITTEES Any Items referred from other committees will be circulated as soon as they are available.	
6. WASTE COLLECTION SERVICE IN NORTH HERTFORDSHIRE REPORT OF THE SERVICE DIRECTOR – PLACE	(Pages 1 - 6)
Due to service disruption for the collection of waste in North Herts since May 18, consider and agree initiatives that recognise the inconvenience caused to our residents.	
7. REGENERATION OF CHURCHGATE SHOPPING CENTRE REPORT OF THE DEPUTY CHIEF EXECUTIVE	(Pages 7 - 28)
The purpose of this report is to provide Cabinet the opportunity to comment on the report to Full Council on 22 November 2018 which updates on the proposals for the regeneration of the Churchgate Shopping Centre and Hitchin Market.	

8. **NORTH HERTFORDSHIRE MUSEUM & HITCHIN TOWN HALL:
ACQUISITION OF 14/15 BRAND STREET** (Pages
29 - 52)
REPORT OF THE DEPUTY CHIEF EXECUTIVE

This report seeks the formal approval of Cabinet for the Settlement Agreement and purchase of 14/15 Brand Street

9. **EXCLUSION OF PRESS AND PUBLIC** (Pages
53 - 54)
To consider passing the following resolution:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act.

10. **REGENERATION OF CHURCHGATE SHOPPING CENTRE** 55 - 106
REPORT OF THE DEPUTY CHIEF EXECUTIVE

The purpose of this report is to provide Cabinet the opportunity to comment on the report to Full Council on 22 November 2018 which updates on the proposals for the regeneration of the Churchgate Shopping Centre and Hitchin Market.

11. **NORTH HERTFORDSHIRE MUSEUM & HITCHIN TOWN HALL:
ACQUISITION OF 14/15 BRAND STREET** 107 -
REPORT OF THE DEPUTY CHIEF EXECUTIVE 110

This report seeks the formal approval of Cabinet for the Settlement Agreement and purchase of 14/15 Brand Street

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**CABINET
20 NOVEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: WASTE COLLECTION SERVICE IN NORTH HERTFORDSHIRE

REPORT OF THE SERVICE DIRECTOR - PLACE

EXECUTIVE MEMBER: CLLR MICHAEL WEEKS

COUNCIL PRIORITY: RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 Due to service disruption for the collection of waste in North Herts since May 18, consider and agree initiatives that recognise the inconvenience caused to our residents.

2. RECOMMENDATIONS TO FULL COUNCIL

- 2.1 In recognition of the service received since the start of the new waste contract, which has not been of the standard we expect, the Council agrees an extension of the current 12 month payment period for green waste collection, for a further period of 3 months. The loss of income based on current (52%) uptake is approximately £290k.
- 2.2 In addition, to provide a free roll of compostable liners for the kitchen food waste caddies. The estimated cost of the liners is circa £30k.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To acknowledge service disruption in our waste collection service and demonstrate to residents that the Council is taking the issue and the inconvenience caused extremely seriously. Predominantly, garden waste collection and food waste collection have been disrupted.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Officers have considered reimbursing only the residents that have been adversely affected by the disruption. This option was discounted as we could only consider offering payments to garden waste customers and the administrative costs of determining who had been affected would not be economic or practical. There is no legal basis to reduce Council Tax due to the disruption to statutory services.

- 4.2 The Council has looked at whether it could make the contractor fund the extension and compostable bags. The Performance Management Regime (PMR) system sets out the contractor's targets for performance and associated performance deductions. Outside of the PMR, the contractor has no other contractual obligations to make further payments for missing performance targets. Any amount received from performance deductions can be earmarked as funding towards the proposed measures outlined in 2.1 and 2.2.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation was undertaken with our Executive Member and there has been a strong groundswell of opinion from Councillors to provide some benefits to our residents in recognition of the poor performance of the waste collection contract over the last six months.

6. FORWARD PLAN

- 6.1 This report has not been referred to in the Forward Plan.

7. BACKGROUND

- 7.1 The joint waste collection service with East Herts Council (EHC) commenced on the 8th May 2018, providing collections to over 120,000 households and collecting many waste streams (residual, dry recyclates, paper, green waste and food waste in NHDC); over the last 6 months our contractor has collected and emptied over 6,000,000 bins/caddies/boxes. In EHC there has been very little service disruption whilst in the North for some residents their service has been severely affected. The number of missed bins reported daily has reduced from approximately 200 in August 18 to less than 60 in November 18. Although this is still too high, many of the hot spots (regular and persistent failures) have significantly reduced.
- 7.2 The new service has had a number of issues to resolve, some of which have been more time consuming and difficult to resolve.
- 7.3 Minute 31 of Council on the 18th July 18 states:-

“(D) Garden Waste

Due notice having been given in accordance with Standing Order 4.8.12, it was moved by Councillor Lisa Nash and seconded by Councillor Ruth Brown that:

“Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid and believes that they should be offered the option of a refund or an extension of the service period at no additional cost to reflect this.”

It was moved and seconded that the motion be amended to read:

“Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid. Council commits to consideration of appropriate redress to reflect this.”

Following comprehensive debate and upon being put to the vote, the amendment was carried.

Upon being put to the vote it was:

RESOLVED:

That Council notes that those residents who have paid for the garden waste collection service did not initially receive the service for which they paid.

That Council commits to consideration of appropriate redress to reflect this.”

8. RELEVANT CONSIDERATIONS

- 8.1 An extension to the existing 12 month paid garden waste service can be provided with minimum overheads/administrative cost to over 50% of our residents. The loss of income is just under £90k per month of extension of the current 12 month subscription. There are currently approximately 26k residents in North Herts that subscribe to our garden waste collection service.
- 8.2 Food waste is collected weekly from the majority of our residents and some residents purchase their own compostable liners for their indoor caddies. In recognition that the waste collection issues have not just affected the paid for brown bin service, it is proposed to provide a roll of 50 compostable caddy liners for each household.

9. LEGAL IMPLICATIONS

- 9.1 Cabinet has the function under section 5.6.38 of the Constitution to make recommendations to Full Council on the annual budget, including the capital and revenue budgets.
- 9.2 Full Council has the function of approving or adopting the budget as set out in section 4.4 (b) of the Council's Constitution. Given the budgetary implications of the recommendations in this report, Full Council is authorised to approve the additional budget.
- 9.3 The Performance Monitoring Regime in the Contract sets out the contractual performance standards and the associated performance deductions. The Council has no legal basis to require additional funding from the contractor to cover the difference between the cost of the extension and the value of the performance deductions.

10. FINANCIAL IMPLICATIONS

- 10.1 As detailed above the total cost of extending the 12 month paid garden waste service by three months would be around £290k. The cost of the extension would be incurred in 2019/20 and if approved will be incorporated into the budget. The potential reversal of the funding reduction of over £1m in 2019/20 (in relation to negative Revenue Support Grant) would be used to fund this. If that reversal did not happen then it would have to be funded through a planned use of General Fund reserves. As a one-off cost, this is affordable in the context of current General Fund balances.
- 10.2 The original intention was that the income from the green waste charge would be accounted for in the year that it was received, even though it would span May to May rather than April to April. Extending the 12 month period by a further 3 months will mean that the income in 2018/19 will now need to be adjusted so that it is for the period from May to the end of March. This will reduce the forecast income in 2018/19 by around £85k.
- 10.3 The compostable liners would be a cost when they are purchased and delivered to households. The cost of these could be met from the Alternative Financial Model (AFM) Waste reserve.

11. RISK IMPLICATIONS

- 11.1 There is a reputational risk to the authority if we do not offer any initiatives which demonstrate that we are taking the service disruption issue and the inconvenience caused to residents extremely seriously. This could have an adverse effect on our residents' perception of the waste collection service and Council services in general. For the vast majority of our residents, there has been understanding and support for our waste collection service and we rely on them to participate in recycling to ensure we maintain our high levels of performance

12. EQUALITIES IMPLICATIONS

- 12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their 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.
- 12.2 There are no equalities implications.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and "go local" policy do not apply to this report.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The disruption in service over the last six months has had a significant impact on our contractors as well as the Council staff. There is still a high reliance on agency staff within the North Herts Urbaser crews and this is one of the main reasons for service disruption due to loss of knowledge of the rounds.
- 14.2 At the contractors cost, they have almost doubled the amount of customer contact and supervisory staff to help alleviate service disruption.
- 14.3 The joint Waste Services client team vacancies are largely now filled with one remaining post for a contracts officer to be recruited to. There is also one temporary additional manager in the team.

15. APPENDICES

- 15.1 There are no appendices.

16. CONTACT OFFICERS

- 16.1 Vaughan Watson, Service Director - Place
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Ian Couper, Service Director - Resources
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Gavin Ramtohal, Legal Commercial Team Manager and Deputy Monitoring Officer
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Tim Everitt, Performance and Risk Officer
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Reuben Ayavoo Senior Policy Officer
Reuben.ayavoo@north-herts.gov.uk Ext 4212

Kerry Shorrocks, Corporate Human Resources Manager
Kerry.shorrocks@north-herts.gov.uk Ext 4224

17. BACKGROUND PAPERS

Minute 31 D of Council on the 18th July 2018

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CABINET 20 NOVEMBER 2018

*PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: REGENERATION OF CHURCHGATE SHOPPING CENTRE

REPORT OF : *DEPUTY CHIEF EXECUTIVE*

EXECUTIVE MEMBER : *LEADER OF THE COUNCIL AND EXECUTIVE MEMBER FOR FINANCE AND IT*

COUNCIL PRIORITY : ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Cabinet the opportunity to comment on the report to Full Council on 22 November 2018 which updates on the proposals for the regeneration of the Churchgate Shopping Centre and Hitchin Market.

2. RECOMMENDATIONS

- 2.1 That Cabinet recommends to Full Council that the proposals progress to the final work required prior to Full Council's final approval of the terms of any proposal.
- 2.2 That Cabinet provides any recommendations on the proposals that it believes Full Council should consider.

Report sections 3 to 14 and 17 – please see Full Council report for details

9. LEGAL IMPLICATIONS

- 9.1 Cabinet has the function under section 5.6.40 of the Constitution to recommend to Full Council proposals for the purchase, sale or appropriation of land which exceeds Cabinet limits.

15. APPENDICES

- 15.1 Appendix A – Report to Full Council 22 November 2018

16. CONTACT OFFICERS

- 16.1 Anthony Roche, Deputy Chief Executive
anthony.roche@north-herts.gov.uk; ext 4588

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***PART 1 – PUBLIC DOCUMENT**

REPORT DUE TO BE CONSIDERED BY COUNCIL ON 22 NOVEMBE 2018

TITLE OF REPORT: REGENERATION OF CHURCHGATE SHOPPING CENTRE

REPORT OF : *DEPUTY CHIEF EXECUTIVE*

EXECUTIVE MEMBER : *LEADER OF THE COUNCIL AND EXECUTIVE MEMBER FOR FINANCE AND IT*

COUNCIL PRIORITY : ATTRACTIVE AND THRIVING / PROSPER AND PROTECT

1. EXECUTIVE SUMMARY

- 1.1 The purpose of the report is to update Full Council on the proposed regeneration of Churchgate Shopping Centre and Hitchin Market, how the proposals have developed since the report to Full Council on 8 February 2018 and to seek permission to undertake the next phase of detailed work prior to Full Council taking a final decision on whether to proceed.

2. RECOMMENDATIONS

- 2.1 That Full Council continues to support the principle of a regeneration of the Churchgate Centre and Hitchin Market with the Council as funder and owner of the regenerated scheme, noting that the deliverability of the proposals is dependant upon securing funding from the Hertfordshire Local Enterprise Partnership.
- 2.2 That Full Council authorise the Deputy Chief Executive, in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT, to progress the negotiation of legal agreements with Shearer Property Group for the regeneration of the Churchgate Centre and to progress pre-purchase due diligence, subject to Full Council's final approval of the terms of any proposal.
- 2.3 That Full Council approves a transfer of up to £130k from the Special Reserve to progress the further work required prior to a final decision.

3. REASONS FOR RECOMMENDATIONS

- 3.1 The Council has been seeking to regenerate the Churchgate Centre for a number of years and a number of different proposals have been considered during that time, with none of those proposals progressing to a successful conclusion. The proposal currently being considered finds a solution to a number of the problems faced by previous proposals and would appear to be achievable in the short term. The proposals would also see significant investment in Hitchin Market and the public realm. The Council's potential investment in this regeneration opportunity is also expected to provide a reasonable financial return. The initial proposals received significant public support when they were consulted on in March/April 2018.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Full Council has received a number of reports on the subject of Churchgate historically (see Background section below) and those reports explored a number of different alternative options for the site. At the current time the alternative options can best be summarised as any combination of the following:-

- i) do nothing; and/or
- ii) await Local Plan adoption and subsequent town centre strategy work; and/or
- iii) allow SPG option to purchase to expire and seek to acquire on the open market.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Leader of the Council and Executive Member for Finance and IT have been kept informed of the discussions with SPG and consulted as appropriate. The Chair of Hitchin Committee has been briefed on the proposals and an all-Member briefing was held on 14 November 2018. The Council has submitted a bid for funding to the Hertfordshire Local Enterprise Partnership in order to make the scheme financially viable as an investment for the Council (see section 8 below).

- 5.2 Following the report to Full Council on 8 February 2018 the Council consulted the community during March/April 2018 on those proposals. The responses were circulated to Members and have been published in full on the Council's website – see <https://www.north-herts.gov.uk/home/council-data-and-performance/land-and-property/hitchin-churchgate-regeneration> . The survey generated responses from 578 people, with some 86% of respondents supporting the idea of regenerating the existing Churchgate Centre to provide improved shop units. An overwhelming majority (93%) of respondents also supported the principle of investing in Hitchin's market to ensure it is fit for the 21st Century.

- 5.3 Key Findings:

- The consultation received 578 responses in total, with 76% of respondents living in Hitchin, 12% living in a village or rural area in North Herts and 6% living in Letchworth.
- 86% of respondents supported the idea of regenerating the existing Churchgate Centre to provide improved shop units.
- Respondents who visited the Churchgate Centre less often than fortnightly were asked what would make them visit more often. The top three responses were: more attractive environment (79%), better quality shops (71%) and more attractive buildings / shop fronts (67%).
- When asked whether they support the principle of regenerating the public space to the rear of the Churchgate Centre, including opening up the views of the Church from the market, 76% of respondents said yes, 11% said no and 13% didn't know.
- The vast majority (93%) of respondents supported the principle of investing in Hitchin's market to ensure it is fit for the 21st Century.

- When asked what types of regular stalls they would like to see in an improved market, the most popular response was food and drink i.e. food consumed at home (81%), followed by street food e.g. tapas (77%), with antiques and home-wares receiving 53% and 50% support respectively.

- 5.4 The results show that there is widespread support for a scheme to improve both the Churchgate Centre and the Market. The feedback is being used to help inform the development of the proposals moving forward. The results for improving the public space in the area also received a positive response, however there were a significant proportion of people who either didn't know if they supported this proposal or didn't support it. In any future consultations plans for this part of the proposal in particular will need to be explained in more detail.
- 5.5 If the proposals progress, a consultation strategy will be developed as part of the legal agreements with the developer.

6. FORWARD PLAN

- 6.1 This report does not contain a recommendation on a key decision and therefore there is no requirement that it be referred to in the Forward Plan. Nonetheless it was added to the Forward Plan on 22 October 2018 for reasons of transparency.

7. BACKGROUND

History of the Council's aspirations and recent decisions (as previously reported to Full Council on 8 February 2018)

- 7.1 The Council has been seeking to regenerate this area of Hitchin town centre for a number of years. It was first identified as an area for development in the Council's Local Plan No.2 adopted on 20 July 1993, and again identified for development in the Local Plan No.2 with alterations adopted on 23 April 1996 and the draft (unadopted) Local Plan No.3 in December 1999. A Hitchin Town Centre Strategy adopted in November 2004 and a Churchgate Area Planning Brief adopted in November 2005 formed the basis of seeking a suitable development partner. The site identified included the Churchgate Centre, the market area and four adjacent car parks. An OJEU procurement process led to Simons Developments having a contract between 2010 and 2013 for the redevelopment opportunity, but they were unable to make sufficient progress towards a viable scheme that was acceptable in design terms and the Council ended the contract in March 2013. Subsequent discussions with the existing leaseholder as to whether a joint approach to redevelopment might achieve a viable scheme ended in February 2016 after the leaseholder accepted their proposals for their Churchgate Extension Scheme were not viable.
- 7.2 A number of challenges have defeated previous attempts to produce a viable scheme for a regeneration, including:–

- the cost of buying, knocking down and rebuilding the existing shopping centre as part of a wider regeneration;
- the cost of replacing car parking that would be lost with a wider regeneration;
- the scale and massing of development required to achieve a viable wider regeneration scheme, in particular with reference to the historic buildings nearby;
- finding a suitable alternative provision for the market;
- the public response to a wider regeneration;
- the limitations of the configuration of the land available;
- achieving viability in a challenging economic market where tenants are not committing to schemes and commercial lending rates remain challenging.

7.3 Since 2008 the Council has had contact with eight different developers, all of whom have been unable to propose a viable regeneration of the wider site. It should be noted that none of these schemes failed for reasons of lack of demand from potential tenants. Hitchin remains an attractive location for retailers and advice provided by lettings agents as part of the investigations of the current proposals shows strong demand, provided the right environment is created. Additionally the previous unsuccessful attempts at regeneration followed the traditional model of being developer led, with the Council not taking a proactive role after developing the planning policy and procuring a developer to lead a scheme. It is clear a different approach is required.

7.4 A fuller history of the project can be found in the reports to NHDC Full Council on 31 January 2013 and 11 February 2016 (links below)

<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=COU&meet=30&arc=71>
<http://web.north-herts.gov.uk/aksnherts/users/public/admin/kab12.pl?cmte=COU&meet=93&arc=71>

The decisions in the last three years most relevant to the matters in this report are set out below at paragraphs 7.5 and 7.6.

7.5 On 27 November 2014 Full Council:-

“RESOLVED:

...

(2) That, having considered its aspirations for the future of the Churchgate site and its surrounding area, the Council discontinues the current approach based on the Churchgate Planning Brief and considers alternative approaches for a smaller scheme in the short term; and

(3) That Officers be instructed to investigate the Council’s preferred approach, as agreed in (2) above, and report back to Council setting out the options and points for consideration to progress the project.

REASON FOR DECISION: *To allow the Council to clearly state its current aspirations for the Churchgate area of Hitchin in the light of the history of the project to date and provide clarity on its preferred approach going forward.”*

- 7.6 Full Council's most recent decision in respect of Churchgate was on 11 February 2016 where it was:-

“RESOLVED:

(1) That work on the Churchgate Project cease; and

(2) That the possibility of acquiring the Churchgate Centre be explored, subject to further consideration of the commercial case for so doing at a future meeting of the Council.

REASON FOR DECISION: *To review the Council's strategic approach to the site, in an endeavour to find a viable and acceptable solution for the Churchgate Centre and surrounding area.”*

Council Report 8 February 2018

- 7.7 On 5 April 2016 the Council was approached by Shearer Property Group (SPG) (see <http://www.spglondon.com/>) who explained that they had agreed a binding option to purchase the Churchgate Centre from the existing owner, Hammersmatch. SPG requested to meet with the Council in order to explain its aspirations for the Churchgate Centre. On 8 February 2018 Full Council received a report outlining proposals for a joint venture between the Council and Shearer Property Group to regenerate the Churchgate Shopping Centre, Hitchin Market and the public realm – see <https://democracy.north-herts.gov.uk/ieListDocuments.aspx?CId=136&MIId=154&Ver=4> . The report set out the high level concepts, broad financial arrangements, potential benefits of the proposals and key challenges that needed to be overcome. Following discussion Full Council:-

“RESOLVED:

(1) That the principle of a joint venture regeneration of the Churchgate Centre, with the Council as funder of the regeneration, be supported;

(2) That the Deputy Chief Executive, in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT, be authorised to progress negotiations with Shearer Property Group on the terms of a potential joint venture regeneration of the Churchgate Centre, subject to Full Council's final approval of the terms of any proposal; and

(3) That the proposal to allow the contract for the management of Hitchin Market to expire and for the market to be managed in-house, subject to Cabinet's approval, be noted.

REASON FOR DECISION: *To progress the potential regeneration of the Churchgate Shopping Centre in Hitchin.”*

8. RELEVANT CONSIDERATIONS

Work undertaken since 8 February 2018

- 8.1 As stated in section 5 above a public consultation exercise was carried out in March/April 2018 by way of online survey. In light of the very positive feedback received there has not been significant changes to the scheme proposals at this stage, although see below for details of how the proposals have evolved. The detailed design work would come later in the process (post Full Council approving the final deal) and will of course include public consultation. Much of the work undertaken has been exploring the potential structure of the arrangement with Shearer Property Group, the funding arrangements for the proposals and ensuring the proposal was financially viable as an investment for the Council.

Proposals for Churchgate Centre

- 8.2 As previously reported, the proposal is a regeneration of the Churchgate Centre on its existing footprint. In broad terms a new frontage would replace the existing and the centre re-roofed, with some re-configuration of the existing units as required in order to make them suitable for the targeted tenants. In particular the frontage onto Market Place would be completely redesigned and reworked. This transformative “face-lift” of the Centre is intended to create a step change in the quality of the units available, thereby making them more attractive to retailers. The significant advantage of the approach being proposed is that it addresses all of the issues listed in paragraph 7.2 which have affected previous attempts to regenerate the site.
- 8.3 With regard to potential tenants, a mix of food and beverage operators and retailers would be targeted, with some smaller units currently remaining earmarked for existing tenants. The potential tenant mix continues to evolve in response to changing demand within the industry and the scheme is designed to allow for some flexibility of potential tenants. As with any shopping centre key elements in reaching agreement with potential tenants are the incentives they would demand as part of any lease negotiations (for example rent free periods, or contributions to fit out costs) and ensuring an attractive environment from which they operate. A relatively minor change to the proposals is that space on the second floor looking onto Market Place which had previously been earmarked for office space would now become four flats.
- 8.4 The significant change since the previous report to Full Council is the introduction of a three screen cinema, where a potential operator has been identified. A cinema helps support the food and beverage lettings and adds an important leisure use to the balance of the scheme. It has to be acknowledged that cinemas are expensive to include within schemes due to the incentives they require and this has necessitated a lot of work to ensure the proposals remain financially viable with the inclusion of a cinema. A number of the responses to the public survey proactively named a cinema as one of the attractions that would make them more likely to visit the Churchgate Shopping Centre (22% of those who included an answer in the ‘other’ response to that question in the survey).

Proposals for Hitchin Market and the Public Realm

- 8.5 The market rights are owned by the Council and since the February Full Council meeting the management contract with Hitchin Markets Limited has been extended for a further two years to 31 July 2020 with a break clause on three month notice. The proposals for the Market remain as previously mooted, with a mix of demountable and permanent stalls and the introduction of a canopy over the permanent stalls to improve the attraction for food and drink stalls, which were identified in the survey results as the most popular stall types (see paragraph 5.3).
- 8.6 With regard to the public realm, resurfacing of the 'mall' down the middle of the Churchgate Centre, the new public space, the market area and terrace and steps in front of St Mary's car park would transform the look and feel of the area. Removal of the walls between the current market and the Church would open up the space and provide enhanced views of the Church from the new public space. Additionally consideration can be given to relocation of the electricity sub-station and refurbishment of the toilet block. The level of investment in the public realm and market is dependent on the cost and funding available.

Funding

- 8.7 The total cost of the proposals being considered is around £23m (excluding borrowing costs). The proposal being put forward is that the Council fund the regeneration (with a significant contribution from the Hertfordshire Local Enterprise Partnership), with SPG providing specialist expertise and knowledge. In return the Council would be sole owner of the completed scheme, receiving all of the income. A detailed breakdown of the finances of the proposed scheme is set out in section 10 of the part 2 report. As previously officers have been working on the prudent basis that the Council would need to borrow from the Public Works Loan Board (PWLB) all sums required for the regeneration of the Churchgate Centre. Local authorities are able to borrow provided that it is in accordance with the Prudential Code, as published by the Chartered Institute of Public Finance and Accountancy (CIPFA). Meeting these requirements needs to be confirmed by the Council's Chief Finance Officer. The Council's Chief Finance Officer is satisfied that the principle of borrowing to fund the regeneration of the shopping centre would meet the requirements of the Prudential Code.
- 8.8 The interest rates charged by PWLB are published twice daily and are not fixed until you draw down the loan. Additionally the rates vary according to the length of loan taken out. Where the Council borrows money to fund capital investment it is a requirement of local government finance rules to make provision for the repayment of the lump sum at the end of the loan period. This is known as the Minimum Revenue Payment (MRP).
- 8.9 As reported previously the Council submitted a bid to the Hertfordshire Local Enterprise Partnership (LEP) for grant funding to cover the cost of the investment in the market and public realm, in response to an open call for applications from economic development projects in Hertfordshire. Whilst the Council was notified on 28 March 2018 that its application had been unsuccessful, the LEP recognised the potential of the proposals and offered to work with the Council on a revised bid relating to the entire proposal (ie the shopping centre, market and public realm). On 5 October 2018 a revised bid was submitted, which is being considered by the LEP. Their process is as follows:-

- Final application received – 5th October
- LEP Officer Sift – 11th October
- Chairs' Panel – 8th November
- LEP Board – 13th December

The approach of the LEP is to be a funder of last resort ie to provide funding which would make an otherwise unviable scheme financially deliverable. The proposals being reported to Full Council are reliant on LEP funding for delivery. If funding is not secured the proposals could not proceed in their current format.

- 8.10 In addition to the LEP funding officers have been exploring other potential external sources of funding. Through the Hertfordshire Property Partnership the Churchgate project has been shortlisted for a £100k revenue funding bid for consultancy support as part of the Government's One Public Estate scheme. The outcome of this bidding process will not be known until the latter part of quarter one 2019. Additionally in the recent Autumn Budget the Government announced a Future Highstreets Fund of £675m as co-funding for Councils for the transformation of high streets. The indicative timetable set out is as follows:-

- Later this year - launch of the prospectus for the Fund
- Spring 2019 - stage 1, expressions of interest
- Summer 2019 - stage 2, more detailed business cases

Officers will continue to monitor announcements relating to this fund to see whether the Churchgate project would meet the eligibility criteria, as any additional grant funding obtained would help to improve the financial viability of the proposals, or allow for further enhancements outside the scope of the current budget.

- 8.11 At Full Council in February 2018 the mechanism for approval of funding bids prior to submission was queried. The submission was in line with the requirements of the Council's Constitution which states at paragraph 14.6.4(a) *"The Chief Executive, the Deputy Chief Executive, Strategic Directors, Heads of Service and Corporate Managers are delegated the following functions, powers and duties for their respective service areas: [...] (ix) National Lottery and external funding applications."*

Potential Community Benefits

- 8.12 As Members will be aware the Council has long held aspirations for improvement of the Churchgate Shopping Centre. A brief history is provided in paragraph 7.1 above, however the starting point for those aspirations was even earlier. On 17 November 1986 the Economic Development Sub-Committee received a report titled North Herts Town Centres and their role in the Economy. The report stated "The Churchgate shopping mall is showing its age in many respects and its bland characterless form combines with a need for refurbishment that results in it being considerably less attractive than it could or, indeed, should be." This is therefore an issue that is still not resolved more than thirty years later.

- 8.13 The proposals being explored, if able to be successfully delivered, would finally bring a resolution to the issue of the Churchgate Centre. Additionally the surrounding public realm would be transformed, a new public space created and much needed investment made in Hitchin Market. This investment in the town centre would increase the current offer within the town centre and should provide an economic benefit to the rest of the town. The proposals would also create a number of jobs, both within the Churchgate centre and within Hitchin Market.
- 8.14 Previous reports on the Churchgate Centre have found the existing building to be of a poor quality, to be of bland design and which has not aged well. The existing building does not contribute to and is at odds with the overall character of Hitchin town centre. The regeneration of the Churchgate Centre together with the proposed works to the market and the public realm would provide a welcome opportunity to significantly enhance and improve upon the character and appearance of this part of Hitchin Town Centre and which would also be to the benefit of the wider Hitchin Conservation Area.
- 8.15 In addition to the potential benefits set out above, this proposal could also provide a commercial investment opportunity for the Council. There is scope for an increased revenue stream, which would have potential to increase over time as rents increase (as the interest costs remain fixed over the lifetime of the loan), could therefore help to support the provision of Council services generally.

The Future of Hitchin Town Centre

- 8.16 The Council's emerging Local Plan identifies the potential for regeneration of the Churchgate area and the need for additional retail floorspace (paragraphs 13.130 to 13.135 refers – see <https://www.north-herts.gov.uk/files/lp1-proposed-submission-local-planpdf>). The wider site is allocated for mixed use, retail led, schemes as site HT11. The supporting retail studies which underpin that element of the proposed Local Plan (see <https://www.north-herts.gov.uk/files/e2-retail-and-town-centres-background-paperpdf>) show a need for retail space in Hitchin, which supports the information provided by lettings agents that there remains strong interest in Hitchin from potential operators. The proposed regeneration of the existing Churchgate shopping centre does not create much additional floorspace, however there will be a step change in the quality of retail and food and beverage operators who are tenants.
- 8.17 As noted above the amount of additional floor space proposed does not meet the requirements in the emerging Local Plan (and nor is it intended to). It is important to stress that the proposals currently being explored only relate to the Churchgate Centre and market area and does not include any of the wider area identified in the Local Plan. However the proposed regeneration of the Churchgate Centre, Hitchin Market and the public realm would not preclude other incremental development in the future and would in the meantime provide solutions to issues that have previously posed problematic in unlocking the development potential of the wider site.
- 8.18 It should be noted that whilst Hitchin town centre continues to trade well compared to other similar town centres, there are potential threats on the horizon. The development of the A1 retail park at Biggleswade has had an effect on tenant demand, particularly from the retailers located at that retail park. Stevenage Council continue to try to progress their plans for the regeneration of Stevenage town centre. Additionally, the Council is aware of plans for an out of town mixed use scheme park at junction 10 of the M1 including retail, leisure, office and hotel uses. In the light of these potential threats to the vitality of Hitchin Town Centre the case for potential investment, if viable, is only strengthened in order to maintain the health of the town centre economy.

Work required prior to final decision

- 8.19 If Full Council continues to support these proposals there remains a number of key steps to be concluded prior to a final decision from Full Council to proceed. As these steps will incur expense Council's continued approval is sought at this stage to minimise abortive costs. The key work remaining includes (but is not limited to):-
- Negotiating and agreeing legal agreements between the Council and SPG, based on the Heads of Terms
 - Ongoing work on the financial viability appraisal to ensure that it reflects any changes to the design proposals and changing market conditions for both costs and potential income
 - Ongoing work to ensure sufficient tenant demand
 - The outcome of the LEP bid
 - Pre-purchase due diligence eg structural surveys
- 8.20 In the event that the above challenges are overcome and Full Council decides to enter into an agreement for the delivery of the regeneration it is anticipated that it would then take, from that point of final decision, approximately twelve to fifteen months to conclude all issues prior to getting on site (including planning, procurement etc) and a further approximately fifteen months of on site construction works.

Management of the Project

- 8.21 One of the requirements of any LEP funding is that a project board oversee the project and the LEP be represented on that project board. The configuration of that board will be considered in the next phase of work, in accordance with the requirements of the Council's constitution. In the interim it is therefore recommended that the Deputy Chief Executive be authorised (in consultation with the Chief Finance Officer, the Leader of the Council and Executive Member for Finance and IT) to continue to progress negotiations with SPG, subject to Full Council's final approval of the terms of any proposal. The Council currently has an established project team working on this opportunity, which is led by the Deputy Chief Executive and includes our Service Director Resources (Chief Finance Officer), Service Director Commercial, Legal Commercial Team Manager and Strategic Sites Planning Officer.

Conclusions

- 8.22 The proposals being considered would, on the basis of the information currently available, seem to continue to provide the best opportunity the Council has had for finding a solution to the Churchgate issue. In addition, investment in Hitchin Market and the public realm would create opportunities to transform and reinvigorate the area. This investment, if successful, would create jobs and improve this part of Hitchin town centre. The response from the public to the initial consultation exercise was overwhelmingly positive, which has not been the case with other previous proposals. Subject to the consideration of the detailed information, including financial breakdown, set out within the part 2 report, it is recommended to Full Council that this proposal continue to be supported and that further work be undertaken on the outstanding matters in order to report back to Full Council for a final decision on whether to proceed or not.

9. LEGAL IMPLICATIONS

- 9.1 Full Council's terms of reference include at 4.4.1(v) "to authorise the acquisition of land or buildings where the purchase price, premium or initial annual rent (after the expiry of any rent free period) exceeds £2,500,000" and at 4.4.1(b) "approving or adopting the budget", which includes the capital programme.
- 9.2 The responsibility for the decision on the arrangements for the management of Hitchin Market lies with Cabinet. On 27 March 2018 Cabinet made the decision to delegate to the Deputy Chief Executive, in consultation with the Head of Leisure and Environmental Services, the Executive Member for Finance and IT and the Executive Member for Leisure, authority to agree an extension with Hitchin Markets Ltd to manage the market contract in the short term. The market contract has been extended following Cabinet approval in March 2018 on terms that would facilitate refurbishment.
- 9.3 If the Council agrees to the recommendation to progress the negotiation of legal agreements with SPG, officers would need to evaluate alternative options in the event that terms can not be agreed. Officers would also need to ensure that they are satisfied on the balance of risk regarding the procurement of SPG or an alternative service provider. Officers would also need to undertake due diligence on SPG, or alternative service provider, which will include an appraisal of SPG's financial standing and request for satisfactory references.
- 9.4 In accordance with previous reports to Full Council, Members are advised that taking part in Council decisions on the strategy to adopt for the Churchgate Area is unlikely to create a valid perception of predetermination in relation to a Member of the Planning Committee who takes part in the decision relating to any future planning application.

10. FINANCIAL IMPLICATIONS

- 10.1 The majority of the financial implications are contained within the part 2 report as they include information which is commercially confidential.

Current Situation

- 10.2 The Council currently owns the freehold of the Churchgate Shopping Centre and receives a rent that is linked to the rental income achieved by the leaseholder (Hammersmatch). Rent reviews are every 14 years (next one is due in 2024) and are upwards only. The amount received is about 1/3rd of the income being generated at the review date. The current income being received is £140k per year.
- 10.3 The market is currently run under a management agreement by Hitchin Markets Limited (HML). The Council receives an income of £28k per year.

Costs to date

- 10.4 Since the last Council report in February 2018, the Council has incurred costs in relation to:
- A valuation of the leasehold of the Churchgate Shopping Centre to determine if the option price agreed by SPG could be justified. This is particularly relevant if the Shopping Centre is purchased and then plan A was not successful. Cost of £15k.
 - Advice from BNP Paribas for development consultancy support. Cost of £28k.
 - Financial, tax and legal advice from Grant Thornton in respect of this project and also in relation to forming a property company. Total cost of £26k.
 - Legal procurement advice in relation to appointing SPG as a development manager. Cost of just over £1k.
- 10.5 The above costs have been met from existing budgets including:
- Funding of £53k previously allocated by Full Council for investigating alternative proposals for the Churchgate Centre that has been carried forward from previous years.
 - Funding of £94k for investigating commercial opportunities.
- 10.6 In general these costs are not included within the development financial appraisal. These costs would be treated as revenue (i.e. not capital) costs.

Expected costs up to purchase

- 10.7 These are fully detailed in the part 2 report. They are expected to be up to £130k. Council is requested to approve a transfer of up to £130k from the Special Reserve to cover these costs. The current balance in the reserve is £1.72m. The reserve was set up for a variety of purposes that included the up-front costs of large investment projects.

Purchase and regeneration

- 10.8 The detail of the costs of purchase and regeneration are contained within the part 2 report.
- 10.9 The total costs to the Council (excluding financing costs) are estimated to be around £23m. It is estimated that just over £20m of these costs will be capital, and around £3m will be revenue. The amount requested from the LEP has been based on the Council achieving a net neutral position based on prudent assumptions. If these assumptions are exceeded then the Council would generate a surplus from the regeneration.
- 10.10 The Council is able to fund capital projects from the follow sources:
- Capital reserves
 - Grants and other contributions
 - Revenue funding
 - Prudential borrowing

The funding received from the housing stock transfer in 2003 has meant that for a number of years the Council has funded its capital programme from capital reserves, and any grants and contributions that have been available. The currently agreed capital programme shows that to fund the current capital programme there will be a need to top up capital reserves from the sale of surplus land and buildings.

- 10.11 When borrowing for capital expenditure, the Prudential Code (published by CIPFA) determines that the Council must consider whether it is Affordable and Prudent. The consideration of affordability relates to whether the Council can meet the revenue costs of the borrowing, which will be made up of interest and Minimum Revenue Provision (MRP). The expectation is that these will be more than covered by the income from the investment, although they may need to be partly covered from the General Fund during the first few years (i.e. during construction and the early years of operation). Prudence relates to an assessment of the risk, both individually and in the context of the wider treasury position of the Council. As the Council only has a small amount of historic borrowing, this is not a significant factor.
- 10.12 When the Council borrows money to fund a capital investment, it is required to set aside an annual provision for the repayment of the debt. This is known as a Minimum Revenue Provision (MRP) and is a cost to the general fund. There is some discretion as to the phasing of when this is set aside, but it should be linked to the life of the asset it is funding and the benefits that accrue from that asset.
- 10.13 The revenue analysis makes the following prudent assumptions. All of the opportunities for cost reductions need to be considered in the context of the wider capital and treasury strategies:
- The Council will need to borrow all the capital costs of the scheme (except those that will be reimbursed by the LEP). The current capital programme includes an allocation of £2.5m for a pension fund payment. This funding could be notionally reallocated to this project instead. For every £1m that is funded from capital reserves (rather than borrowing) it reduces costs by around £40k per year – based on avoiding interest costs at 3% and MRP at 2.5% but with estimated lost investment income at 1.5%.
 - The Council will externally borrow for all the capital costs of the scheme. The Council can internally borrow against its revenue reserves, which means that interest costs are avoided although it does also reduce investment income. However the margin between interest rates for borrowing and investment means that every £1m that is borrowed internally is a saving of around £15k. Based on current forecasts of general fund and specific reserves, the Council could internally borrow over £12m.
 - The borrowing will be over a 40 year period with repayment at the end of 40 years. The current Public Works Loan Board rate for this period is around 2.7%. The Council's treasury advisors forecast that this rate will increase over the next two years, so 3% has been used as an estimate. The rate of borrowing is only confirmed on the day that the loan is taken out. The Council would reduce its borrowing costs by repaying the loan over its life and/ or by structuring the borrowing so that it was over a shorter period.

- It is being assumed that there will be no inflation increases in the rental income received, as a result the MRP is being charged equally over the life of the asset which is being assumed to be 40 years. If it was expected that there would be inflation then the MRP policy could be changed so that a lower amount was charged in the earlier years and more was charged in later years (i.e. matching the MRP charge to the income generated by the shopping centre). This would improve the revenue position in the earlier years.

10.14 All of the totals above are exclusive of VAT as the contracts will be in the name of the Council and will be able to recover the VAT paid.

Plan B

10.15 The Council would only acquire the leasehold if there was a good prospect that the plan A scheme could go ahead. However during the period between acquiring the leasehold and starting building work, it is possible that circumstances might make this either impossible or not desirable. At that point the Council could revert to an alternative option. The part 2 report considers what these alternative options could be and the cost implications of them.

11. RISK IMPLICATIONS

11.1 The financial risks are detailed in the part 2 report and include:

- a sensitivity analysis in relation to lettings achieved and capital build costs
- a consideration of the plan B options if the leasehold was purchased and the planned scheme could not go ahead.

11.2 As part of the LEP bidding process an initial risk log has been created, which identifies 23 potential risks, their consequences and mitigating action required. This risk log will be developed as formal project management arrangements are considered. If the proposals move forward then the project is likely to be proposed as a Top Risk which is then monitored and updated regularly as part of the Council's risk management procedures.

11.3 The Council's Risk and Opportunities Management Strategy refers to Contractors and Partners as follows: *"Contractors and Partners are included in the Risk & Opportunities Management Strategy for NHDC. The risk appetite for both contractors and partners should be considered prior to engaging into contracts or partnerships. Ideally a joint Risk Register should be in place for significant contracts and partnerships. In order to achieve the Council's objectives, Client Officers/relationship managers should implement an ongoing review of risks jointly with appropriate contractors and partners."* A joint register would be created for this project.

12. EQUALITIES IMPLICATIONS

12.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their 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.

12.2 Any regeneration proposals for the site will need to consider proposals for thoroughfares, access, surface treatments etc and the needs of the users of the resulting development. These will be considered and recorded under separate equality analysis at the relevant time.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 The Social Value Act and “go local” policy do not apply to this report due to the nature of the decisions Full Council is being asked to make.
- 13.2 However, any decision Council may make in the future with regard to the regeneration of Churchgate which could, either in whole or part, constitute a public service contract would need to report on the social value implications of each/any option at the time of consideration. This would, in brief, consider how every £1 spent could best be spent to benefit the local community, which may include award of some aspects of redevelopment or management of the centre etc. by local social enterprises, a contractor offering an apprentice scheme or similar.
- 13.3 The Council will ensure that Social Value is built in to the procurement processes for the project and encourage the use of local suppliers and trades wherever possible. The Council was able to achieve Social Value outcomes from a recent construction contract on its office building (e.g. building projects with local schools and sponsoring a charitable event). The Council plans to build similar ideas in to this construction contract.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 The current work undertaken to this point has been met from existing resources, with additional external development consultancy expertise sought to support internal skills and knowledge. An internal team of officers including financial, legal, planning and technical expertise has been identified to support the Deputy Chief Executive. The ongoing resourcing requirements will be considered as part of the next phase of work, if Council supports the principle of the proposals, have been factored into service plans for 2018/19 and will be included in 2019/20. Additionally the internal resourcing will be considered in the light of any changing responsibilities as a result of the senior management restructure.

15. APPENDICES

- 15.1 Appendix A – Indicative Site Plan, ground floor and first floor

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

17.1 Reports on previous Churchgate proposals to Full Council dated 31 January 2013, 11 February 2016 and 8 February 2018

17.2 Draft Local Plan



NOTES				PROJECT				CLIENT				ARCHITECT			
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02	18-10-13	ISSR		ISSUE FOR INFORMATION	MZ
11	10-09-16	ISSR		ISSUE FOR INFORMATION	MZ

CHURCHGATE
HITCHIN

CLIENT

SPG



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DRAWING TITLE

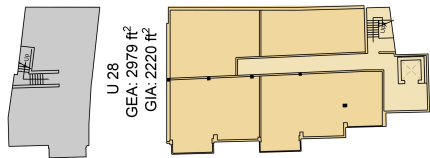
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PRELIMINARY

NOTES

This drawing must not be scaled. Use figured dimensions.



SECOND FLOOR PLAN

Covered roof: glass & steel

Demountable stalls

BIGGIN LANE

U 14
CINEMA

CHURCHYARD WALK

BIGGIN LANE

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**CABINET
20 NOVEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

**TITLE OF REPORT: NORTH HERTFORDSHIRE MUSEUM & HITCHIN TOWN HALL:
ACQUISITION OF 14/15 BRAND STREET**

REPORT OF : THE DEPUTY CHIEF EXECUTIVE

EXECUTIVE MEMBER : COMMUNITY ENGAGEMENT & RURAL AFFAIRS

COUNCIL PRIORITY : RESPONSIVE AND EFFICIENT

1. EXECUTIVE SUMMARY

- 1.1 At its meeting on 25th September 2018, Cabinet provided a final offer of a settlement agreement to Hitchin Town Hall Ltd (HTHL) and Hitchin Town Hall Finance Ltd (HTHF). On the 30th October 2018, HTHL held an extraordinary general meeting (EGM) and their shareholders accepted the Settlement Agreement. This report seeks the formal approval of Cabinet for the Settlement Agreement and purchase of 14/15 Brand Street. The Cabinet Sub-Committee (Council Charities) will also be asked to provide their comments on the settlement agreement in advance of this meeting.

2. RECOMMENDATIONS

That Cabinet:

- 2.1 approves the purchase of 14/15 Brand Street for £550,000.
- 2.2 confirms that the Council should enter into the Settlement Agreement at Appendix A.
- 2.3 notes the timeline for the full opening of the North Hertfordshire Museum.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To enable the Council to complete the development of the North Hertfordshire Museum/Hitchin Town Hall project as intended by Council and operate the facility for the benefit of the local community.
- 3.2 To protect the Council's interests and obtain best return from the Council's existing investment and to secure projected income from the facility to offset some of the operational and fixed costs.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The options to open the facility without occupancy of 14/15 Brand Street have been fully investigated. A costed options appraisal considering a number of scenarios for the occupation of the land which the Council currently owns has been undertaken to guide the price offered. The acquisition of 14/15 Brand Street by agreement means that the full facility will be available and it brings an end to the contractual dispute.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the general parameters for seeking to acquire 14/15 Brand Street as authorised by Full Council on 20 January 2016 has been on going with Executive Members prior to engaging in discussions with HTHL and HTHF and throughout those discussions.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision, which has been notified to the public in the Forward Plan on 22 October 2018.

7. BACKGROUND

- 7.1 The decision making history in relation to this project is extensive and has been reported to both Council and Cabinet on a number of occasions. The reports are available on the website (<https://www.north-herts.gov.uk/home/museums/north-hertfordshire-museum-and-hitchin-town-hall/hitchin-town-hall-museum-proposals>).
- 7.2 It should be noted that Council has approved in principle the acquisition of 14/ 15 Brand Street to allow the project to be completed in line with the original plans, subject to the financial limits as set out in the Council's Constitution.
- 7.3 Discussions have taken place in the latter part of 2016 and throughout 2017 and 2018 with HTHL and HTH Finance Ltd and it has been made very clear that in order to make a bid for the property the Chief Finance (s151) Officer would need to ensure that it was offering value for money to the Council Tax payer. Given that the agreed amount was considered to be at full market value, this meant it would need to include provisions to resolve the current dispute and that any conditions attached to the purchase could not be too onerous. This approach has also been confirmed with the Council's External Auditor.
- 7.4 The resolution of Cabinet on 25th September was:
- 2.2 *That Cabinet agrees to a Settlement Agreement that will be provided as a final offer to HTHL/HTHF. HTHL would be required to fully accept the Settlement Agreement by holding an Extraordinary General Meeting (EGM) by the 31st October 2018. Subject to agreement in principle and HTHL having set a date for their EGM, a date would then be arranged for mid-November for an extraordinary Cabinet meeting and a Cabinet Sub-Committee (Council Charities) meeting to consider the final Settlement Agreement.*

8. RELEVANT CONSIDERATIONS

The Settlement Agreement

- 8.1 On the 1st October 2018, the Council received communication from HTHL that they would be calling an EGM for the 30th October 2018 that would seek approval from their shareholders for the Settlement Agreement offered by Cabinet.
- 8.2 The EGM took place on the 30th October 2018 and the Settlement Agreement was approved subject to one change. This changed the definition of community purpose from “activities which a reasonable person might consider are being carried on directly or indirectly for the benefit of the North Hertfordshire community” to “activities which a reasonable person might consider are being carried on for the benefit of the North Hertfordshire community provided that a reasonable level of commercial use may be carried out in order to provide income to support those activities”. The Council plans to use the facility for a range of purposes that include:
- Lettings to community groups, particularly during the week
 - Private bookings to the North Hertfordshire community, including those with links to the area
 - Events arranged by the Council that will be available to everyone, but it is expected that they will be more likely to be attended by the North Hertfordshire community
 - Some commercial events
- In correspondence from Hitchin Town Hall Limited prior to the EGM it was stated that “indeed in our business model, had HTH run the facility, we too would have had a fair degree of commercial usage”. On the basis of the above it is considered that the Council could agree to the proposed amendment.
- 8.3 The above was communicated to the Council in a letter dated 31st October 2018. An e-mail from Hitchin Town Hall Finance Limited on 5th November 2018 confirmed that “the letter sent on 31st October 2018 by Hitchin Town Hall Ltd has the support of HTH Finance Ltd and on that basis we would sign the proposed Settlement Agreement”.
- 8.4 Following that correspondence, a press release will need to be agreed with the Directors of HTHL and HTHF. At the time of writing this report this was still ongoing. Cabinet are now asked to confirm that they have no objections to the Settlement Agreement at Appendix A. The Executive Member for Community Engagement and Rural Affairs will be consulted on the press release.
- 8.5 Throughout the negotiations on the Settlement Agreement, the Council has been focused on ensuring that it provides suitable resolution of all the issues and that it is appropriately enforceable. Further details on this are provided in the part 2 report.

- 8.6 As well as approval by Cabinet, the proposed Settlement Agreement is also subject to consideration by the Cabinet Sub-Committee (Council Charities). This is because the original Development Agreement was signed by the Council on behalf of the Trust as the development included land owned by Trust. The original Development Agreement would have seen the property at 14/15 Brand Street being gifted to the Trust directly from HTHL. The expenditure that the Council will now incur in acquiring 14/15 Brand Street means that it intends on keeping the property. This is so that the income is retained to balance the impact on the local taxpayer. However the Trust is now in a significantly better position than it was at the start of the project in that it would have a modern museum operating from the buildings that it holds. The Cabinet Sub-Committee are scheduled to meet earlier on the same day as this Cabinet meeting, and will refer any comments that they have on to this meeting.

Process required for acquisition of 14/15 Brand Street

- 8.7 The Settlement Agreement operates as a contract for sale. The usual conveyancing procedure will be followed which will result in exchange of contracts and completion of the legal transfer of the property.
- 8.8 Prior to completion the Council will obtain a formal undertaking from the solicitors acting for Hitchin Town Hall Limited that the debt to Hitchin Town Hall Finance Limited will be repaid from the proceeds of sale, and that the charge over the property will be then be removed.
- 8.9 On the completion date, possession and control of the property will be transferred to the Council. An application will then be made to the Land Registry to register the property to NHDC.

Full opening of the North Hertfordshire District Museum

- 8.10 The gantt chart at Appendix B shows the estimated programme of works that is required to ensure the building is complete and the Council is able to open the district museum in its entirety. Based on this the anticipated opening date for the full facility is early June 2019. This takes into account works not taking place over Christmas and a small amount of contingency time.

History of negotiations

- 8.11 Whilst HTHL and HTHF have asserted in correspondence that they had no objections to negotiations taking place in public, the fiduciary duty placed upon the Council meant that where matters were commercially or legally confidential then they are treated in such a manner. Accordingly the Council has not provided any public comment on these matters. The Council still does not intend to provide a response to the majority of the statements that have been made. However a recent Comet article is relevant to how negotiations have progressed and the decision being made.
- 8.12 An article in the Comet on 3rd October 2018, quoted Stephen Pike (Chairman of HTHL) as saying that the Council had backed down in relation to the five-year rolling hold over the town hall and that the Council “have mostly come round to our way of thinking to protect the use of Hitchin Town Hall”. The concept of a 5-year rolling protected period was agreed in October 2017. Although HTHL/HTHF did not originally appreciate the Council’s commitment in regards to this, this was fully clarified in July 2018 and the wording of this clause has not changed.

9. LEGAL IMPLICATIONS

- 9.1 The general power of competence contained within the Localism Act 2011 came into force on 18th February 2012 and effectively replaced the previous wellbeing powers. The statutory General Power of Competence gives a local authority the power to do “anything that individuals generally may do”. Section 1 (4) of the same Act confirms that in using such power the local authority may do so for the benefit of the Authority, its area or persons resident in the area.
- 9.2 The Authority has power under Section 144 of the Local Government Act 1972 to provide or encourage any other person or body to provide, facilities to encourage visitors, for conferences, trade fairs and exhibitions or improve or encourage any other person or body to do so for any existing facilities. It has powers under Section 19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide recreational facilities, buildings, equipment to the extent that these do not cover the current proposals that the general Power of Competence referred to in section 9.1 can be relied upon.
- 9.3 Paragraph 5.6.20 of the Council's Constitution provides that Cabinet's terms of reference include “to approve the purchase or appropriation of land and buildings where the sale price...exceeds £250,000 and does not exceed £2,500,000.”
- 9.4 Paragraph 14.6.9 (a) (viii) of the Council's Constitution determines that the Service Director: Legal and Community can “authorise the institution, defence, withdrawal or settlement of any legal proceedings, civil or criminal (other than for Health and Safety proceedings, Council tax, non-domestic rates and sundry debts).”

10. FINANCIAL IMPLICATIONS

- 10.1 The Council's total capital expenditure on this project currently stands at £5.329m of which £0.874m is funded by the contribution from the Heritage Lottery Fund towards the fit out of the Museum. Following the Cabinet meeting in June, the Leader of the Council took a delegated decision (dated 17th July 2018) to allocate £20k of capital funding for the installation of a platform lift. The currently agreed purchase price for 14/15 Brand Street is £550k, as agreed by Cabinet at its meeting on 18th March 2017. As the purchaser, the Council would also need to pay Stamp Duty Land Tax of £17k, which would also be a capital cost. This was not included within the initial capital budget to avoid confusion over the amount being offered. The additional cost is within the tolerances set out within the financial regulations (sections 5.5 and 5.6).
- 10.2 A decision not to acquire 14/15 Brand Street would provide a compromised offer to the public and would restrict the full income generation prospects of the building. As it seems possible to acquire 14/15 Brand Street for a similar amount to the cost of the most operationally desirable separation works, resulting in the Council owning a building with service provision as originally envisaged and with greater income generation opportunities, this would seem to offer better value for money to local taxpayers.
- 10.3 The Council's external auditor has been kept aware of negotiations as they have progressed.

11. RISK IMPLICATIONS

11.1 The risk implications arising from this report are largely:

- Financial – further delay in opening or not being able to open the facility or prevent achievement in the forecasted income, failure to obtain best return from the existing capital investment and would mean that existing museum staff may not be fully utilised. The operation of the town hall may also be compromised because of the difficulties in access (particularly to the first floor) to staff and members of the public.
- Operational – uncertainty concerning full opening inhibiting marketing.

11.2 The North Hertfordshire Museum and Hitchin Town Hall Project is a corporate risk and this is monitored through the Finance Audit and Risk Committee. In addition there is a detailed project risk log that is monitored and discussed by project board.

11.3 The intention of the Settlement Agreement is to eliminate the risk of litigation being brought by either the Council, or HTHL, or both. Such litigation is likely to be complex, protracted and expensive and would divert Council resources away from undertaking other activities.

12. EQUALITIES IMPLICATIONS

12.1 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.

12.2 The proposals made in this report do not in themselves alter the overall project design as previously reported, but seek to ensure that in ensuring momentum to the existing contracts etc, a facility to meet the needs of all communities in North Herts can be completed and brought into community use. The report also suggests consideration of management arrangements for the facility which will be subject to the Public Sector Equality Duty. The purchase of 14/15 Brand Street, will realise the original designs for the museum and town hall. This option will enhance the experience for all visitors, including those with disabilities.

13. SOCIAL VALUE IMPLICATIONS

13.1 As the recommendations made in this report do not yet constitute a public service 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 paragraphs 12.

14. HUMAN RESOURCE IMPLICATIONS

14.1 The Human Resources implications arising from this report are associated with the significant additional workload that has been placed on the Senior Officers and Project Team Members. This has been mitigated by the reallocation of resources from less time sensitive projects but this could not be sustained indefinitely.

- 14.2 The uncertainty has been of concern particularly with the Museum staff with the ongoing delay in the full opening of the Museum.

15. APPENDICES

- 15.1 Appendix A- Proposed Settlement Agreement.
15.2 Appendix B- Gantt chart of activities required for the full opening of Hitchin Town Hall and District Museum.

16. CONTACT OFFICERS

- 16.1 Anthony Roche
Deputy Chief Executive
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anthony.roche@north-herts.gov.uk
- 16.2 Ian Couper
Service Director- Resources
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ian.couper@north-herts.gov.uk
- 16.3 Jeanette Thompson
Service Director- Legal and Community
Tel: 01462 474370
Jeanette.thompson@north-herts.gov.uk
- 16.4 Reuben Ayavoo
Senior Policy Officer
Reuben.ayavoo@north-herts.gov.uk
Tel 01462 474212
- 16.5 Kerry Shorrocks
Corporate Human Resources Manager
Kerry.shorrocks@north-herts.gov.uk
Tel 01462 474224

17. BACKGROUND PAPERS

- 17.1 As per 7.1.

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DATED

2018

BETWEEN

NORTH HERTFORDSHIRE DISTRICT COUNCIL

AND

HITCHIN TOWN HALL LIMITED

AND

HTH FINANCE LIMITED

AGREEMENT RELATING TO

NORTH HERTFORDSHIRE MUSEUM AND HITCHIN TOWN HALL

PARTIES

- (1) **NORTH HERTFORDSHIRE DISTRICT COUNCIL** of Council Offices, Gernon Road, Letchworth Garden City SG6 3JF (**Council**)
- (2) **HITCHIN TOWN HALL LIMITED** a charity incorporated and registered in England and Wales with company number 07974116 whose registered office is at 2 Croft Chambers, 11 Bancroft, Hitchin, Hertfordshire SG5 1JQ and whose registered Charity No. is 1148921 (**HTH Limited**)
- (3) **HTH FINANCE LIMITED** company number 10205544 whose registered office is 2 Croft Chambers, 11 Bancroft, Hitchin, Hertfordshire SG5 1JQ (**Financier**)

BACKGROUND

- (A) The Dispute has arisen between the Council and HTH Limited.
- (B) HTH Limited is the proprietor of the Brand Street Property.
- (C) The Financier has the benefit of the Charge, the Development Agreement Charge and the Debentures.
- (D) Notwithstanding their differences the parties have agreed terms for settlement of the Dispute and wish to record those terms of settlement, on a binding basis, in this agreement.
- (E) Notwithstanding that the Town Hall Property was originally constructed by Hitchin Urban District Council for Hitchin Residents it is acknowledged that any income generated by the Council will be for the benefit of North Hertfordshire residents.
- (F) Insofar as this agreement relates to the settlement of the Development Agreement, the Council enters into it both on its own behalf and on behalf of the Trust pursuant to a decision of the Cabinet Sub-Committee (Council Charities) dated [XXX].

AGREED TERMS

1 DEFINITIONS AND INTERPRETATION

- 1.1 In this agreement, unless the context otherwise requires, the following words and expressions have the following meanings:

Brand Street Property: means the land and buildings sited thereon formerly known as 14/15 Brand Street and registered at the Land Registry under title number HD529274.

Charge: means the charge dated 12 September 2013 between HTH Limited and Social Investment Business Foundation the benefit of which is now vested in the Financier and with respect to security granted over the Brand Street Property referred at entry 2 and 3 of the charges register of title number HD529274 as at 23 June 2017 at 07:06:52.

Community Purpose: activities which a reasonable person might consider are being carried on for the benefit of the North Hertfordshire community provided that a

reasonable level of commercial use may be carried out in order to provide income to support those activities.

Debentures: means a debenture dated 15 October 2012 and a debenture incorporated in the Charge in each case over the assets of HTH Limited and between HTH Limited and Social Investment Business Foundation the benefit of which are now vested in the Financier.

Development Agreement: means the Development Agreement dated 9 September 2013 relating to North Hertfordshire Museum and Hitchin Town Hall between the Council and HTH Limited for the refurbishment and redevelopment of Hitchin Town Hall and adjacent property for the purposes of creating a District Wide Museum and improved community facility following which HTH Limited would have been granted a 125 year lease of the Town Hall Property.

Development Agreement Charge: means a charge by way of assignment of the interest of HTH Limited in the Development Agreement dated 15 October 2012 and between HTH Limited and Social Investment Business Foundation the benefit of which are now vested in the Financier.

Domain Name: means the domain name known as hitchintownhall.co.uk registered with Nominet.

Dispute: means the dispute between the Council and HTH Limited relating to a Development Agreement dated 9 September 2013.

Hitchin Residents: the inhabitants at any relevant time of the following electoral wards within Hitchin Hertfordshire, United Kingdom as they are constituted at the date of this agreement: Priory; Highbury; Walsworth; Bearton; and Oughton

Loan Agreement: means the loan made by the Council to HTH Limited via a letter stating 'to be repaid when funds available' dated XXXX

Part 1 Conditions means the conditions in Part 1 of the Standard Commercial Property Conditions (Third Edition) and Condition means any one of them.

Part 2 Conditions means the conditions in Part 2 of the Standard Commercial Property Conditions (Third Edition) and Condition means any one of them.

Project: means the scheme for the refurbishment and redevelopment of Hitchin Town Hall and adjacent property for the purposes of creating a District Wide Museum and improved Town Hall both for community use.

Protected Period: means an ongoing rolling commitment of five years starting from the date of the Transfer Deed during which the Council undertakes to retain the ownership of the Brand Street Property and the Town Hall Property for the Community Purpose. This Protected Period shall apply until a date not earlier than five years from a Protected Period Review.

Protected Period Review: means a review by the Council of its undertaking in respect of the Protected Period as to the future ownership and use of the Brand Street Property and the Town Hall Property. The timing of any such review shall be at the sole discretion of the Council and the Council undertakes to consult the North Hertfordshire community as part of any such review.

Protected Period Review Outcomes: means the decision made by the Council following a Protected Period Review. If the Council decides to continue its commitment to retain the ownership of the Brand Street Property and the Town Hall Property for the Community Purpose then the Protected Period continues, subject to any further Protected Period Reviews. If the Council decides to consider alternative ownership or changing the use of the Brand Street Property and/or Town Hall Property, this shall terminate the Protected Period with effect from the date five years after the decision. During the period until the Protected Period terminates the Council shall consider any reasonable proposals put forward by Hitchin Residents and/or the North Hertfordshire community or part thereof for purchase or management of the Brand Street Property and/or Town Hall Property, provided any such proposal meets the statutory requirements governing the Council.

Purchase Price: £550,000

Related Parties: means and includes only:

- (a) a party's parent and subsidiaries
- (b) a party's directors, or secretary, principals or officers or any individual agents, or other representatives
- (c) A party to whom the benefit of this agreement has been assigned or transferred.

Released Claims: means all and/or any actions, claims, rights, demands and set-offs, whether in this jurisdiction or any other, whether or not presently known to the parties or to the law, and whether in law or equity, that it, its Related Parties or any of them ever had, may have or hereafter can, shall or may have against the other parties or any of its Related Parties arising out of or connected with:

- (a) the Dispute;
- (b) the underlying facts relating to the Dispute;
- (c) any agreement between or act by the parties or their Related Parties or any of them; and
- (d) any other matter arising out of or connected with the relationship between the Parties concerning the Dispute.

Town Hall Property: means the land and buildings sited thereon known as Town Hall, Grammar School Walk, Hitchin and registered at the Land Registry under title number HD488762.

Transfer Deed: means a form TR1 in the form of the draft at Annex 1

Trust: the Hitchin Town Hall Gymnasium and Workmans Hall Trust (registered charity number 233752) of which the Council is the sole trustee

- 1.2 A **person** includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).

- 1.3 Unless otherwise specified, a reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time and shall include all subordinate legislation made from time to time under that statute or statutory provision and all orders, notices, codes of practice and guidance made under it.
- 1.4 A reference to laws in general is a reference to all local, national and directly applicable supra-national laws as amended, extended or re-enacted from time to time and shall include all subordinate laws made from time to time under them and all orders, notices, codes of practice and guidance made under them.
- 1.5 A reference to **writing** or **written** does not include fax or e-mail.
- 1.6 Except where a contrary intention appears, a reference to a clause is a reference to a clause of this contract.
- 1.7 Clause and paragraph headings shall not affect the interpretation of this contract.
- 1.8 Unless the context otherwise requires, words in the singular shall include the plural and in the plural shall include the singular.
- 1.9 Unless the context otherwise requires, a reference to one gender shall include a reference to the other genders.
- 1.10 Any obligation on a party not to do something includes an obligation not to allow that thing to be done.

2 EFFECT OF THIS AGREEMENT

The parties hereby agree that on completion of the transfer of the Brand Street Property to the Council, this agreement shall immediately be fully and effectively binding on them.

3 TERMS OF SETTLEMENT

- 3.1 The parties agree that on the date of this agreement:-
- (a) The Council will pay the Purchase Price to HTH Limited.
 - (b) HTH Limited shall complete the Transfer Deed to transfer the Brand Street Property to the Council unencumbered and with vacant possession.
 - (c) HTH Limited shall redeem the charge to the Financier and the Financier shall release the Charge, the Development Agreement Charge and the Debentures.
 - (d) The Council undertakes to comply with the Protected Period, Protected Period Review and Protected Period Review Outcomes.
- 3.2 The parties hereby agree that the Development Agreement is terminated. For the avoidance of doubt HTH Limited and the Financier agree to release their rights under the Development Agreement and all parties agree to release the other parties from their obligations under the Development Agreement.

- 3.3 The Council hereby agrees to write off in full, including any accrued interest, the sum owed by HTH Limited to the Council in respect of the Loan Agreement.
- 3.4 The Council acknowledges that HTH Limited do not control the Domain Name and that the Council have no claim over the Domain Name, the website or any content displayed.
- 3.5 The parties hereby agree to issue an agreed press statement within five days of the signing of this agreement as set out in Annex 'C'.
- 3.6 The parties hereby agree that this agreement is in full and final settlement of the Released Claims.

4 RELEASE

This agreement is in full and final settlement of, and each party hereby releases and forever discharges the Released Claims.

5 VAT

- 5.1 Each amount stated to be payable by the Council to HTH Limited under or pursuant to this agreement is exclusive of VAT (if any).
- 5.2 If at any time Her Majesty's Revenue and Customs (HMRC) levies a charge against HTH Limited in respect of VAT connected with works undertaken on the Brand Street Property then the Council agrees to pay to HTH Limited a sum equivalent to that VAT on demand.

6

- 6.1 The Part 1 Conditions are incorporated in this contract so far as they:
- 6.1.1 apply to a sale by private treaty;
 - 6.1.2 relate to freehold property;
 - 6.1.3 are not inconsistent with the other clauses in this contract; and
 - 6.1.4 have not been modified or excluded by any of the other clauses in this contract.
- 6.2 The Part 2 Conditions are not incorporated into this contract.

7 AGREEMENT NOT TO TAKE PROCEEDINGS ETC

- 7.1 Each party agrees, on behalf of itself and on behalf of its Related Parties not to sue, commence, prosecute, finance or cause to be commenced or prosecuted against the other parties or their Related Parties any action, suit or other proceeding concerning the Released Claims, in this jurisdiction or any other either directly or indirectly via third parties. In respect of any third party litigation in relation to the Project each party agrees that it will not actively encourage or engage other third parties to pursue litigation and each party shall be limited to supplying documents and/or witness statements in response to a request from the third parties' legal representatives..

- 7.2 Clause 4 and Clause 7.1 shall not apply to, and the Released Claims shall not include, any claims in respect of any breach of this agreement or prevent or restrict the participation of any party in any public examination or enquiry.

8 COSTS

The parties shall each bear their own legal costs in relation to the Dispute and this agreement.

9 WARRANTIES AND AUTHORITY

- 9.1 Save as referred to in this agreement, each party warrants and represents that it has not sold, transferred, assigned or otherwise disposed of its interest in the Released Claims.
- 9.2 Each party warrants and represents to the others with respect to itself that it has the full right, power and authority to execute, deliver and perform this agreement.

10 INDEMNITIES

- 10.1 Each party hereby indemnifies, and shall keep indemnified, the other parties against all costs and damages (including the entire legal expenses of the parties) incurred in all future actions, claims and proceedings in respect of any of the Released Claims which it or its Related Parties or any of them may bring against the other party or its Related Parties or any of them.

11 NO ADMISSION

This agreement is entered into in connection with the compromise of disputed matters. It is not, and shall not be represented or construed by the parties as, an admission of liability or wrongdoing on the part of any party to this agreement or any other person or entity.

12 SEVERABILITY

If any provision or part-provision of this agreement is or becomes invalid, illegal or unenforceable, it shall be deemed modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this agreement.

13 ENTIRE AGREEMENT

- 13.1 This agreement and the documents annexed to it constitute the entire agreement between the parties and supersede and extinguish all previous agreements, promises, assurances, warranties, representations and understandings between them, whether written or oral, relating to its subject matter.
- 13.2 Each party agrees that it shall have no remedies in respect of any statement, representation, assurance or warranty (whether made innocently or negligently) that is not set out in this agreement. Each party agrees that it shall have no claim for innocent or negligent misrepresentation or negligent misstatement based on any statement in this agreement.

14 NO CONFIDENTIALITY

- 13.1 The parties hereby agree that there shall be no confidentiality obligation in respect of this agreement.
- 13.2 The parties hereby agree that this Agreement shall not prevent or restrict the participation of any party in any public examination or enquiry relating to the Project.

15 GOVERNING LAW

This agreement and any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with it or its subject matter or formation shall be governed by and construed in accordance with the law of England and Wales.

16 JURISDICTION

Each party irrevocably agrees that the courts of England and Wales shall have exclusive jurisdiction to settle any dispute or claim (including non-contractual disputes or claims) arising out of or in connection with this agreement or its subject matter or formation.

17 CHARITIES ACT 2011

The land to be transferred pursuant to this agreement is held by Hitchin Town Hall Limited, a non-exempt charity, and the transfer will not be one falling within section 117(3) of the Charities Act 2011, so that the restrictions on disposition imposed by sections 117-121 of that Act apply to the land.

18 CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

The parties agree that the terms of this agreement are not enforceable by any third party under the Contracts (Rights of Third Parties) Act 1999.

19 CO-OPERATION

The parties shall deliver or cause to be delivered such instruments and other documents at such times and places as are reasonably necessary, and shall take any other action reasonably requested by the other party for the purpose of putting this agreement into effect.

20 VARIATION

No variation of this agreement shall be effective unless it is in writing and signed by the parties (or their authorised representatives).

21 TRUST

The parties acknowledge that the liability of the Council under this agreement or otherwise in respect of the Trust is limited to the assets of the Trust from time to time.

This agreement has been entered into on the date stated at the beginning of it.

Executed by affixing the common
seal of **NORTH HERTFORDSHIRE
DISTRICT COUNCIL** in the
presence of:

.....
Authorised Signatory

Signed as a deed by **HITCHIN
TOWN HALL LIMITED** acting by
two Directors:

.....
Director

.....
Director

Signed as a deed by **HTH
FINANCE LIMITED** acting by two
Directors:

.....
Director

.....
Director

HM Land Registry

Transfer of whole of registered title(s)

TR1

Any parts of the form that are not typed should be completed in black ink and in block capitals.

If you need more room than is provided for in a panel, and your software allows, you can expand any panel in the form. Alternatively use continuation sheet CS and attach it to this form.

Leave blank if not yet registered.

Insert address including postcode (if any) or other description of the property, for example 'land adjoining 2 Acacia Avenue'.

Remember to date this deed with the day of completion, but not before it has been signed and witnessed.

Give full name(s) of all the persons transferring the property.

Complete as appropriate where the transferor is a company.

Give full name(s) of all the persons to be shown as registered proprietors.

Complete as appropriate where the transferee is a company. Also, for an overseas company, unless an arrangement with HM Land Registry exists, lodge either a certificate in Form 7 in Schedule 3 to the Land Registration Rules 2003 or a certified copy of the constitution in English or Welsh, or other evidence permitted by rule 183 of the Land Registration Rules 2003.

Each transferee may give up to three addresses for service, one of which must be a postal address whether or not in the UK (including the postcode, if any). The others can be any combination of a postal address, a UK DX box number or an electronic address.

1	Title number(s) of the property: HD529274
2	Property: Land at North Hertfordshire Museum, Brand Street, Hitchin, SG5 1JE
3	Date:
4	<p>Transferor: Hitchin Town Hall Ltd</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix: 07974116</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
5	<p>Transferee for entry in the register:</p> <p>North Hertfordshire District Council</p> <p><u>For UK incorporated companies/LLPs</u> Registered number of company or limited liability partnership including any prefix:</p> <p><u>For overseas companies</u> (a) Territory of incorporation:</p> <p>(b) Registered number in the United Kingdom including any prefix:</p>
6	<p>Transferee's intended address(es) for service for entry in the register:</p> <p>Council Offices, Gernon Road, Letchworth, Hertfordshire, SG6 3JF</p>
7	The transferor transfers the property to the transferee

Place 'X' in the appropriate box. State the currency unit if other than sterling. If none of the boxes apply, insert an appropriate memorandum in panel 11.

Place 'X' in any box that applies.

Add any modifications.

Where the transferee is more than one person, place 'X' in the appropriate box.

Complete as necessary.

The registrar will enter a Form A restriction in the register unless:

- an 'X' is placed:
 - in the first box, or
 - in the third box and the details of the trust or of the trust instrument show that the transferees are to hold the property on trust for themselves alone as joint tenants, or
- it is clear from completion of a form JO lodged with this application that the transferees are to hold the property on trust for themselves alone as joint tenants.

Please refer to [Joint property ownership](#) and [practice guide 24: private trusts of land](#) for further guidance. These are both available on the GOV.UK website.

Insert here any required or permitted statement, certificate or application and any agreed covenants, declarations and so on.

8 Consideration

- ☒ The transferor has received from the transferee for the property the following sum (in words and figures):

Five hundred and fifty thousand pounds (£550,000)

- ☐ The transfer is not for money or anything that has a monetary value
- ☐ Insert other receipt as appropriate:

9 The transferor transfers with

- ☒ full title guarantee
- ☐ limited title guarantee

10 Declaration of trust. The transferee is more than one person and

- ☐ they are to hold the property on trust for themselves as joint tenants
- ☐ they are to hold the property on trust for themselves as tenants in common in equal shares
- ☐ they are to hold the property on trust:

11 Additional provisions

11.1 The land transferred is held by Hitchin Town Hall Limited, a non-exempt charity, and this transfer is not one falling within section 117(3) of the Charities Act 2011 so that the restrictions on disposition imposed by sections 117-121 of that Act apply to the land.

11.2 The directors of Hitchin Town Hall Limited being the persons who have the general control and management or its administration, certify that they have power under its trusts to effect this disposition and that they have complied with the provisions of the said sections 117-121 so far as applicable to this disposition.

The transferor must execute this transfer as a deed using the space opposite. If there is more than one transferor, all must execute. Forms of execution are given in Schedule 9 to the Land Registration Rules 2003. If the transfer contains transferee's covenants or declarations or contains an application by the transferee (such as for a restriction), it must also be executed by the transferee.

If there is more than one transferee and panel 10 has been completed, each transferee must also execute this transfer to comply with the requirements in section 53(1)(b) of the Law of Property Act 1925 relating to the declaration of a trust of land. Please refer to [Joint property ownership](#) and [practice guide 24: private trusts of land](#) for further guidance.

Remember to date this deed in panel 3.

12 Execution

Executed as a deed by
HITCHIN TOWN HALL LIMITED
acting by two directors or a
director and the company secretary

.....
Director

.....
Director/Secretary

Executed as a deed by
affixing the seal of **NORTH
HERTFORDSHIRE DISTRICT
COUNCIL** in the presence of:

.....
Authorised Signatory

WARNING

If you dishonestly enter information or make a statement that you know is, or might be, untrue or misleading, and intend by doing so to make a gain for yourself or another person, or to cause loss or the risk of loss to another person, you may commit the offence of fraud under section 1 of the Fraud Act 2006, the maximum penalty for which is 10 years' imprisonment or an unlimited fine, or both.

Failure to complete this form with proper care may result in a loss of protection under the Land Registration Act 2002 if, as a result, a mistake is made in the register.

Under section 66 of the Land Registration Act 2002 most documents (including this form) kept by the registrar relating to an application to the registrar or referred to in the register are open to public inspection and copying. If you believe a document contains prejudicial information, you may apply for that part of the document to be made exempt using Form EX1, under rule 136 of the Land Registration Rules 2003.

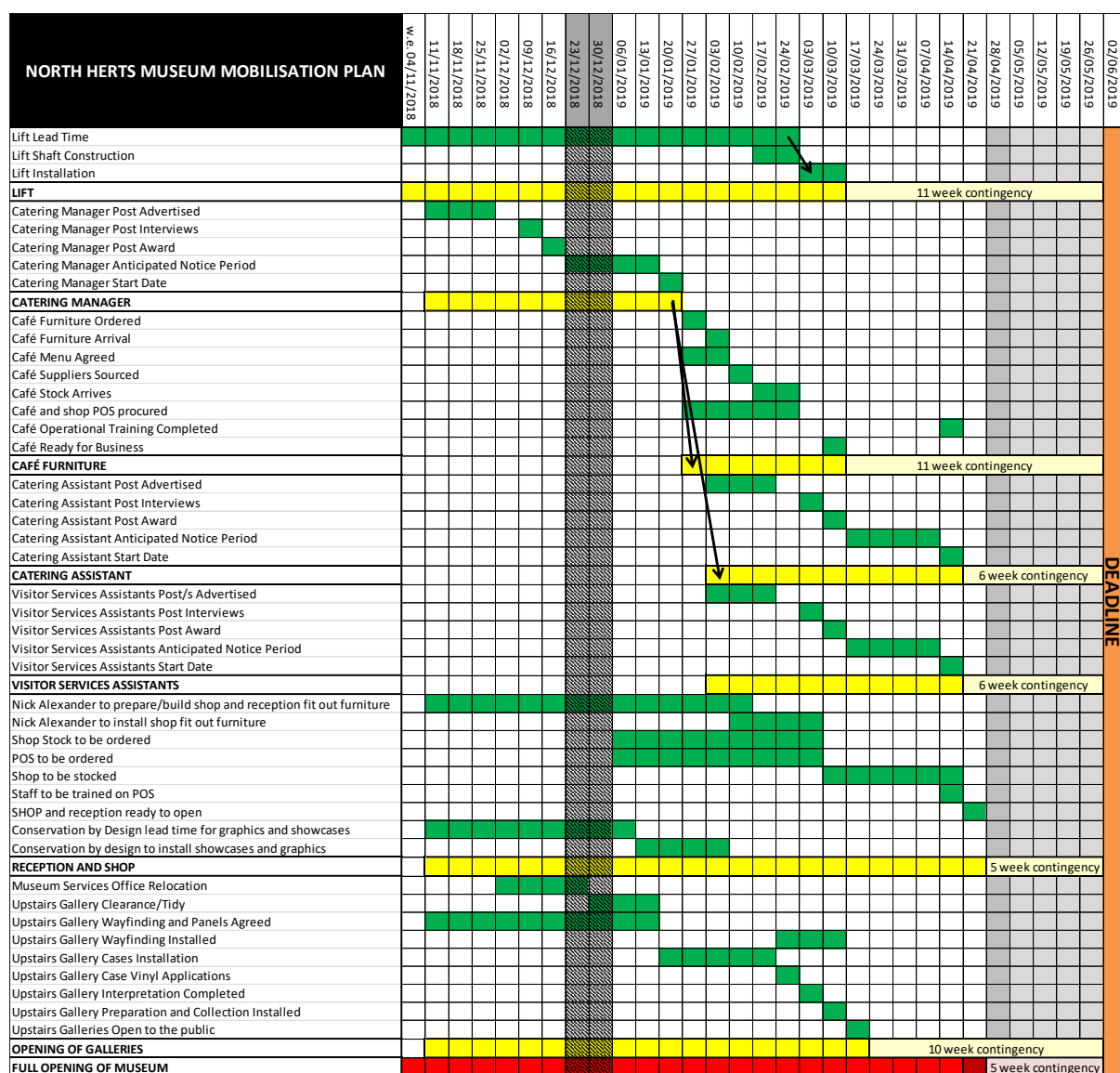
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ANNEX B – Agreed Press Release

To be agreed.

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Appendix B



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**CABINET
20 NOVEMBER 2018**

***PART 1 – PUBLIC DOCUMENT**

TITLE OF REPORT: EXCLUSION OF PUBLIC AND PRESS

To consider passing the following resolution:

That under Section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the said Act.

[Note: The definition of Paragraph 3 referred to above is as follows:-

- "3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)."]

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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