

**CABINET
15 DECEMBER 2020**

PART 1 Report

TITLE OF REPORT: CHARNWOOD HOUSE, HITCHIN

REPORT OF THE INTERIM PROPERTY CONSULTANT

EXECUTIVE MEMBER: COUNCILLOR KEITH HOSKINS

COUNCIL PRIORITY: ATTRACTIVE AND THRIVING

1. EXECUTIVE SUMMARY

- 1.1 To seek Cabinet's decision on the potential letting or sale of Charnwood House, Hitchin to a community group.

2. Recommendations

- 2.1 That the option presented is to be considered and the principle determined as to whether this proposed transaction should be progressed further..

OR:

- 2.2 The property should be marketed on the open market on a leasehold and/or freehold basis to consider the most beneficial proposals and terms of any potential transaction.

THEN:

- 2.3 Terms of an agreed transaction (subject to contract) will be presented to the Cabinet for approval once finalised. Once the current use of the property ceases and it becomes vacant, a declaration as surplus can be made.

3. REASONS FOR RECOMMENDATIONS

- 3.1 To bring a town centre asset into beneficial use for the wider community.
- 3.2 To reduce ongoing maintenance costs for this property.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 Do nothing: The Property will in the future become vacant once its transitional storage use by Hitchin Museum ceases. At this point, without a strategy to move forward, the property will lay vacant and its condition will deteriorate.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 Consultation on the principles discussed in this report has begun with notification to Hitchin Committee at their meeting on 1st December 2020.
- 5.2 The Council has not advertised the proposal in accordance with sections 123(2A) and 127(3) of the Local Government Act 1972 as this proposal does not represent the sale of public open space.
- 5.3 A copy of this report has been provided to the Executive Member Cllr Keith Hoskins.

6. FORWARD PLAN

- 6.1 This report contains a recommendation on a key decision that was first notified to the public in the Forward Plan on the 12th November 2020.

7. BACKGROUND

- 7.1 Charnwood House at Paynes Park in Hitchin, the building that became Hitchin Museum, was conveyed to the Urban District Council of Hitchin by a Conveyance dated 1st May 1937 made between Hubert John Moss and Wallace Benjamin Moss as grantors and UDCH. Clause 3 of the Conveyance reads:

“The grantors have offered the said property as a gift to the Urban Council to be held by the Council in perpetuity as a Public Library and Museum for the benefit of the Inhabitants of the said Urban District.”

- 7.2 Since the relocation of Hitchin Museum to the new Town Hall site at Brand Street, Charnwood House has been used as temporary storage as the move has progressed. However, with no immediate alternative uses or new occupier, the Museum continues with this transitional arrangement. Plans for a new Museum storage facility elsewhere in Hitchin are being progressed which would allow the final move of items from Charnwood House in the next couple of years.
- 7.3 This report considers a proposal submitted to the District Council from Charnwood Community Management Association (CCMA) a registered charity. CCMA’s stated aims for the property are as follows:

“The aims of the association are to acquire and maintain the building for community use, providing a community hub for Hitchin residents with an emphasis on supporting those groups with an educational focus”

For further details please refer to their website at: <http://charnwoodhitchin.org.uk/>.

- 7.4 This report also addresses the legal implications of the 1937 conveyance.

8. RELEVANT CONSIDERATIONS

- 8.1 Charnwood House is a Grade II Listed property, which the District Council is duty bound to maintain. The Listing also confers constraints upon the scope of physical alterations that can be undertaken.

8.2 Charnwood House is registered as an Asset of Community Value. This listing will expire in line with regulations that limit listings to 5 years on 22nd January 2023. A further nomination may be made by a voluntary or community group. The Council in its role as Listing Authority would have to consider whether it should be relisted. A relisting would be for a period of a further 5 years. The listing requires the District Council to allow certain interested community groups 6 months to make an offer to purchase should they be advised the property is to be marketed and they express an interest in making an offer. It is worth noting that the District Council would not be bound to accept any offer received, and would in any event be bound also to sell at best consideration, save for the provisions of Section 123(2) of the Local Government Act 1972 General Disposal Consent (England) 2003 whereby for the following reasons a sale can be made at less than best consideration:

- (i) The promotion or improvement of economic well-being.
- (ii) The promotion or improvement of social well-being.
- (iii) The promotion or improvement of environmental well-being.

9. LEGAL IMPLICATIONS

9.1 Cabinet in exercising its functions have powers to dispose of land or buildings where the consideration is between £250,000 and £2,500,000.

9.2 The Contract Procurement Rules and specifically Appendix I of those Rules apply to the sales of land or property. If Cabinet were to sell this land the Officers seeking to market and dispose of the land would be required to do so within the remit of the Contract Procurement Rules.

9.3 Section 123 of the Local Government Act 1972 General Disposal Consent (England) 2003 allows a Council to dispose of land in any manner it wishes provided that the consideration is the best that can be reasonably obtained unless the Secretary of State consents to the disposal for less than best value – see additionally 8.2 above.

9.4 All disposals need to comply with the European Commission's State aid rules. The European Commission's Communication on State aid elements in sales of land and buildings by public authorities (97/C 209/03) provides general guidance on this issue. When disposing of land at less than best consideration authorities are providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the disposal. Where this occurs authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the sale process.

10. FINANCIAL IMPLICATIONS

10.1 A sale or lease to a new occupier will reduce or eliminate the District Council's maintenance costs and reduce the need to spend capital on future repairs and upgrading likely to be required to the building, in particular due to Charnwood House's Grade II Listed status.

10.2 Selling the property could produce a capital receipt. Given the fairly unique nature of the building, it is not possible to predict the level of receipt with any reasonable certainty.

- 10.3 Leasing the property could produce some level of rental income. Again, the uniqueness of the property means the level and timing of rental income cannot be accurately predicted.

11. RISK IMPLICATIONS

- 11.1 The sale or full occupation of vacant property assets reduces the risk to the District Council arising from the duties under the Occupiers Liability Act 1957 and 1984.
- 11.2 There are no risks relevant to the consideration of this decision. Risks may exist as to the terms and feasibility of any proposal however the terms of any such transaction will be referred to Cabinet for approval.

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 The proposed return of the property to a community resource could result in greater community inclusion in the area. Amongst those may those who exhibit a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not 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. ENVIRONMENTAL IMPLICATIONS

- 14.1 There are no direct environment implications to this proposal. Any improvements to a Grade II listed building will require consent to ensure that the key structural features and characteristics are preserved. This limits any potential negative environmental impact.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no Human resource implications from this report.

16. APPENDICES

- 16.1 None.

17. CONTACT OFFICERS

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18. BACKGROUND PAPERS

17.1 None.