

HITCHIN COMMITTEE
DATE: 12th October 2021

PART 1 – PUBLIC DOCUMENT

TITLE OF REPORT: CHARNWOOD HOUSE, HITCHIN

REPORT OF: Senior Estates Surveyor

EXECUTIVE MEMBER: Councillor Sam Collins

COUNCIL PRIORITY: BUILD THRIVING AND RESILIENT COMMUNITIES &
ENABLE AN ENTERPRISING AND CO-OPERATIVE ECONOMY

1. EXECUTIVE SUMMARY

- 1.1 To update the Committee on the outcome of the community engagement exercise for Charnwood House.
- 1.2 To request the Committee's approval to seek Cabinet's authority to dispose of Charnwood House by way of a lease of maximum term of 99 years, and to seek Cabinet's authority to market the property for leasing by informal tender.

2. RECOMMENDATIONS

- 2.1 That the Committee notes the outcome of the community engagement exercise.
- 2.2 That the Committee approves seeking Cabinet's authority to dispose of Charnwood House by way of lease of maximum term of 99 years, and seeking Cabinet's authority to market the property for leasing by informal tender.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Noting the outcome of the community engagement exercise supports the Committee's role in coordinating interest in Charnwood House from parties within the public, private and voluntary sectors, in pursuit of repurposing the building to community hub use.
- 3.2 Approving seeking Cabinet's authority to dispose of and market Charnwood House for leasing will signify support to Officers to pursue these important next steps towards securing Charnwood's future use as a community hub.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1. Not approve seeking Cabinet's authority to dispose or market Charnwood House for leasing out. This option is not considered prudent and should be rejected. It is considered this option risks delaying or missing the opportunity to build on the recent community engagement and securing this building's long-term future as a community hub.

5. CONSULTATION WITH RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

5.1. The following Councillors have been consulted on various aspects of the journey towards Charnwood House becoming a community hub:

- Councillor Ian Albert;
- Councillor Sam Collins;
- Councillor Keith Hoskins; and
- Councillor Judi Billing.

The Councillors have been supportive and enthusiastic to maintaining momentum in this project.

5.2 Members of Charnwood Community Management Association (CCMA) have also been consulted as set out in paragraphs 8.1.1 and 8.1.2 below.

6. FORWARD PLAN

6.1 This report does not contain a recommendation on a key Executive decision and has therefore not been referred to in the Forward Plan.

7. BACKGROUND

7.1 On 15th December 2020, Cabinet was asked to decide on the potential letting or sale of Charnwood House to a community group. Cabinet's decision is set out below:

"That the principle of the option presented be progressed further with the widest possible community engagement on the proposals and use". (Item 77).

7.2 This report to Hitchin Committee has three aims:

- (i) To outline actions taken in conducting the community engagement exercise.
- (ii) To summarise the outcome of the community engagement.
- (iii) Propose and outline the next steps for helping secure Charnwood House's long-term future as a community hub.

8. RELEVANT CONSIDERATIONS

8.1 Community Engagement: Actions taken

8.1.1

A draft community engagement background document and draft questionnaire were sent by NHDC Estates to CCMA on 10th August 2021 to gather feedback on their content and structure. The background document provided details on Charnwood House and elaborated on the community hub concept, such as its proposed educational aims. The questionnaire was drafted with two objectives in mind, which were:

- (i) Gather insight from community on the type of functions, facilities or services they need or want from the community hub, and the level of demand for them; and

- (ii) Gauge the appetite for individuals or organisations to collaborate with NHDC to transform Charnwood into a community hub, and take on a lease of the building.

The draft background document and draft questionnaire are provided at Appendix A and Appendix B respectively.

8.1.2

A follow-up meeting was held between Estates and members of the CCMA on 13th August 2021 to discuss the drafts in greater depth. Whilst the CCMA were appreciative of the direction of the documents, they felt the level of intricate detail may prove off-putting in the engagement process for Charnwood.

8.1.3

Having listened to CCMA's feedback, it was decided to hold two open days at Charnwood House on the 3rd and 4th September 2021. These events were advertised on NHDC's website and via an article in The Comet newspaper. During the open days, the public were given opportunity to look round the building internally and externally, with Officers and Councillors in attendance to offer guidance and address enquiries. A shorter, refined questionnaire was available at the property on the open days, and subsequently placed on NHDC's website. Closing date for return of completed questionnaires was 20th September 2021.

8.1.4

The questionnaire comprised a condensed version of the earlier draft and enquired as to the following:

- Nature of interest for NHDC's community hub proposal at Charnwood House.
- Level of support for proposal.
- Whether people would wish to participate in developing & operating facility.
- Business ideas to run from Charnwood.
- Functions, facilities or services desired or required from a community hub.
- Attributes of Charnwood House that people wish to see retained in redevelopment to a community hub.

A copy of the questionnaire forms Appendix C.

8.2 Community Engagement: Outcome

8.2.1

The open days were attended by over 200 visitors across the two days. Over 160 questionnaires were completed and returned to NHDC. As at the date of this report, Officers have analysed approximately 110 responses.

8.2.2

Based on the analysis so far, there were a range of ideas which were mentioned repeatedly. These were:

- Charity use.
- Homeless/food bank use.
- Space for services like CVS and CAB.
- Music and choir use.
- Life skills, children's education and/or adult education.
- Carers' support and support for those with care needs.
- Community café.
- Meeting space for hire & hot desking for home workers.
- Freelancer/entrepreneurial support.
- Community workshop for DIY/life skills.
- Community kitchen for cookery and life skills.
- Artistic, craft and exhibition space.
- Therapy space.
- Expanded library.
- Mix of flexible and permanent space.

8.2.3

Once all questionnaire responses are analysed, more ideas may be identified.

8.2.4

Respondents were divided over how, if at all, the building should be modified. Most felt the exterior of the building should remain as it is. There was, however, a divide over whether the interior should be reconfigured and how this would be undertaken. Some wanted larger space while others preferred more sub-division and private interview rooms.

8.2.5

There was near universal agreement that the building needed access improvements, including a lift to the first floor, and public toilets.

8.2.6

There were a number of members of the community, charities and private/voluntary organisations who expressed a desire to help with the project or take on some or all of the space.

8.2.7

Strong opinions were expressed over the length of time the building has not been used for and concern over the covenant and Listed nature of the building not being respected.

8.2.8

Overall, the community engagement revealed an overwhelmingly positive feeling and constructive feedback to the idea of a community hub.

8.3 Next Steps

8.3.1

The resounding success of the community engagement open days has provided NHDC valuable insight into the level and nature of demand for a community hub at Charnwood House.

8.3.2

Based on the wide array of interest identified during the community engagement, it is reasonable to envisage there being wide and competitive interest in taking on a lease of Charnwood House for development and operation as a community hub. Inevitably, not all parties who express or submit interest can be rewarded with a lease as the building will not physically accommodate all parties. This is a regrettable but practical inevitability, and worth raising at this stage.

8.3.3

To build on the success of the engagement process, and move matters forward towards securing a community hub at Charnwood House, it is time to recommend the next steps.

8.3.4

The next steps recommended are for Officers to seek Cabinet's authority to dispose of Charnwood House by way of a lease of maximum term of 99 years, and to seek Cabinet's authority to market the property for leasing by informal tender. Marketing will help achieve two important requirements:

- First, maximum exposure of the building and the leasing opportunity so that all parties – be they individuals, organisations or several interested parties acting in collaboration - have equal chance to submit their interest; and
- Second, an equitable and robust process by which interest submitted can be assessed and evaluated for selection of the tenant party.

8.3.5

In addition to background information about the property being offered, the marketing particulars should include the following key points:

- The parameters, for example Charnwood's Grade II Listed status, covenant and registration as Asset of Community Value (with associated moratorium considerations).
- What NHDC is looking to achieve from the building, i.e. see it transformed into a community hub, having direct regard to the conclusions drawn from the community engagement.
- What NHDC is offering, for example lease term of 99 years.
- Requesting interested parties for their offers of rent, proposed capital investment, proposed lease terms and business cases.
- Achieve duty of best consideration.

8.3.6

Further, it is recommended the marketing particulars set out what NHDC is *not* looking to achieve, such as residential conversion, demolition or selling its freehold.

8.3.7

Marketing must be conducted sensitively with full recognition of the historic and architectural importance of Charnwood House, and its status as a much cherished landmark building within the Hitchin and wider community.

8.3.8

Incidentally, allowing short-term occupation of Charnwood House prior to leasing out the property is not considered prudent for several reasons, including:

- Practical feasibility: works of repair are required to the building and its services to make it suitable for occupation.
- The occupier will need to be vacated once the marketing process for the long-term lessee is completed.
- To ensure fairness, the building will still need to be marketed before selecting the short-term occupant.
- The building is still partially used by NHDC for operational storage purposes.
- Short-term occupation is likely to prove off-putting to prospective long-term tenants who inspect the building, and obstructive to their due diligence surveys.
- Generally, short-term occupation will prove a hindrance to securing this building's future as a community hub.

9. LEGAL IMPLICATIONS

9.1. This report is written in the context of a Committee function.

9.2 Paragraph 9.8.2 of the Council Constitution stipulates the following terms of reference for Hitchin Committee, considered applicable to the subject matter of this report:

- Paragraph 9.8.2 (a):
"To undertake a community leadership role in bringing together different interest groups from the public, private and voluntary sectors to work in partnership to meet the Council's corporate strategic and local objectives".
- Paragraph 9.8.2 (c):
"To receive petitions, presentations and questions from members of the public, groups and outside bodies on matters relating to their area".
- Paragraph 9.8.2 (d):
"To act as a forum for discussion on matters of local interest and in particular to elicit/hear the views of local bodies and organisations".

- 9.3 The Contract Procurement Rules and specifically Part I of those Rules apply to leases of property for a fixed term of more than twenty years. Charnwood House will need to be declared surplus to NHDC's operational requirements as part of the report to Cabinet.
- 9.4 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 for the following reasons:
- (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.
- 9.5 The Localism Act 2011 and Assets of Community Value Regulations 2012 will apply in considering a disposal of Charnwood House as it is a registered Asset of Community Value.

10. FINANCIAL IMPLICATIONS

- 10.1 Depending on the terms of the lease, a lease will reduce or eliminate NHDC's maintenance and other costs of Charnwood House.
- 10.2 Leasing the property could produce some level of rental income.
- 10.3 In the event the building is leased out and the lease is surrendered early by the tenant or otherwise terminated, NHDC will resume incurring the holding costs of the building. NHDC may also be expected to continue the operation itself, incurring direct running costs such as labour costs.
- 10.4 A new tenant may be able to pay for, or contribute towards, the capital costs of converting, refurbishing and/or upgrading Charnwood House to a community hub. This will reduce or eliminate capital spend by NHDC.
- 10.5 In the event the conversion or refurbishment of the building is left partially complete, there may be an expectation that NHDC either completes the work or reverses it. Should protections in the lease fail to secure this work being undertaken by the tenant, NHDC will incur capital costs.

11. RISK IMPLICATIONS

- 11.1 The leasing out or full occupation of property assets reduces the risk to the District Council arising from the duties under the Occupiers Liability Act 1957 and 1984.
- 11.2 Although disposal of Charnwood House (by lease) presents potential risks to NHDC, such as the tenant failing to observe the lease obligations, no leasing activity or indeed marketing for lease will take place until Cabinet approves such disposal. Hitchin Committee is not being asked to approve any disposal by lease or otherwise. No risks are considered to directly emanate from the recommendations set out in this report.

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 should result in greater community inclusion in the area, to include those who exhibit a protected characteristic.

13. SOCIAL VALUE IMPLICATIONS

- 13.1. The Social Value Act and “go local” requirements do not apply to this report.

14. ENVIRONMENTAL IMPLICATIONS

- 14.1. There are no known Environmental impacts or requirements that apply to the recommendations of this report.

15. HUMAN RESOURCE IMPLICATIONS

- 15.1 There are no human resource implications.

16. APPENDICES

- 16.1 Appendix A: Draft community engagement background document.
- 16.2 Appendix B: Draft community engagement questionnaire.
- 16.3 Appendix C: Questionnaire that was available at both open days.

17. CONTACT OFFICERS

- 17.1 Christopher Robson, Senior Estates Surveyor christopher.robson@north-herts.gov.uk; ext 4252.

18. BACKGROUND PAPERS

- 18.1 None.