

Report to Council

27th February 2008

By the Cabinet Member for

Finance and Assets

**DECISION REQUIRED/
INFORMATION REPORT**

Not exempt



**Horsham
District
Council**

Horsham Town Hall

EXECUTIVE SUMMARY

The Council owns Horsham Town Hall; a Grade 2 listed historic building located within the town centre conservation area. Until 1988 part of the first floor was used as HDC's Council Chamber. Since then most of the building has been used for lettings to commercial and community groups. Lettings of the former Court Room on the ground floor account for approximately 20% of time the room is available for use. The rear section of the building is occupied by the WSCC Registrar's office on a secure business lease.

The future of the building has been the subject of an extended debate within the Council over the past three years. Options discussed include improving the building for enhanced community use, leasing the building to a community/not for profit organisation (one suggestion being a Folk Arts Centre) and a commercial restaurant use.

The Town Hall has been the subject of a series of reports to Council and two advisory groups have been established to consider how the Council can best use and modify the building. The second of the Advisory Groups was overseen by the Chairman of the Council and culminated in a report submitted to Council on 17th October 2007.

Whilst the Town Hall is an important and historic building, it does not play a role in the delivery of the Council's services. There is an ample supply of space for community use in Horsham and the building represents an ongoing financial liability in terms of its operation and maintenance.

It is evident from the work undertaken by the Chairman's Advisory Group since September 2006 that the capital cost of works required to make the building accessible in accordance with the

Disability Discrimination Act and in other respects to meet the Council's requirement would be a minimum of £750,000.

The annual costs in terms of operating and maintaining the building are in the region of £30,000, with income of around £18,000 per annum.

The Council needs to find a use which will secure the future use of the building, minimise the impact on the Council tax payer and make a contribution to the town centre's vitality.

Research undertaken by the Head of Property and Economic Development has revealed a significant demand from quality restaurant operators interested in buildings of historic and architectural character. Examples exist in towns throughout the Country (Staines, Andover, Reigate). Such a use has potential to meet the Council's asset management and financial responsibilities, secure the future of the building and make a contribution to the attractiveness and economy of the town centre.

RECOMMENDATIONS

The Council is recommended:

- i) That expressions of interest be sought on the open market from suitably experienced operators to run the Town Hall as a quality restaurant.
- ii) That the Council commences discussions with West Sussex County Council to identify a suitable building in central Horsham to enable the relocation of the Registrar's Office.
- iii) To report the outcome of the processes detailed above in (i) and (ii) to Cabinet.

REASONS FOR RECOMMENDATIONS

- i) To achieve future use of the Town Hall which makes a positive contribution to the town centre's economy and minimises the Council's expenditure in operating the building.

Background papers	Consultation	Wards affected	Contact
Report to Council 17.10.07	Director of Resources Director of Community Services Council Secretary & Solicitor Head of Development Leisure Services Manager	All Horsham Town Wards	Chris Carey Ext No. 5150

BACKGROUND INFORMATION

1 INTRODUCTION

The purpose of this report

- 1.1 To consider granting a long lease, on full repairing and insuring terms, to a suitably experienced operator to run the Town Hall as a quality restaurant.

Statutory background

- 1.2 Local Government Act 1972 – Section 123 of the Act places an obligation on Councils to secure the best return for the use or disposal of assets.

Relevant Government policy

- 1.3
- Comprehensive Spending Review 2007, focus on value for money and achieving efficiency gains, particularly cashable savings.
 - Lyons Review 2004. Urges Councils to better exploit under-used assets and assets no longer required for direct service delivery.
 - Quirk Review 2006. Proposes that the transfer of public assets to community management and ownership at less than best consideration is a legitimate and potentially beneficial option, and should be considered by local authorities. The report further states that, where benefits can be shown to outweigh the costs, there are no substantive impediments to such asset transfer. There are risks, but experience shows how they can be successfully managed.
 - RICS Public Sector Asset Management Guidelines 2008 and, DCLG Framework for Local Authority Asset Management February 2008.

“Strategic asset management is the activity that seeks to align the asset base with the organisation’s corporate goals and objectives. It ensures that the land and buildings asset base of an organisation is optionally structured in the best corporate interest of the organisation concerned”.

Relevant Council policy

- 1.4
- Asset Management Plan 2003 – seeks best use of Corporate assets.
 - Draft Corporate Plan 2008-11 – key theme of ‘supporting a vibrant economy’.
 - Economic Development Strategy 2005-08 seeks further investment in town centres.
 - Local Development Framework Core Strategy 2007. Policy CP18 Tourism and Cultural Facilities.
 - In September 2006, the Council resolved that Horsham Town hall should continue to be made available for general community use, and that improvement works be undertaken to achieve compliance with the Disability Discrimination Act and to make the building more attractive.

Background/Actions taken to date

- 1.5 The Cabinet Member for Leisure and Cultural Services established an Advisory Group in April 2005 to consider the existing and future use of the Town Hall. The Advisory Group invited informal proposals from community organisations regarding possible future use of the building. A report was subsequently submitted to the Cabinet meeting of 30th March 2006. The Cabinet decided to defer any decision regarding future use until commercial options had been considered.
- 1.6 A report was subsequently considered at the Cabinet meeting held on 29th June 2006. The Council meeting of 19th July 2006 considered the recommendations of Cabinet and resolved that the potential for both commercial and community use (Folk Arts Centre) be further examined requesting a further report to Council setting out the various public use issues and financial costs of both options.
- 1.7 The Council meeting of 13th September 2006 considered the commercial and community options and resolved:
- (i) That the Court Room continue to be made available for general community use.

- (ii) That the former Council Chamber be made available for community use.
- (iii) That, subject to planning permission and listed building consent, the Town Hall be developed and improvement works undertaken to achieve Disability Discrimination Act compliance and to make it more attractive.
- (iv) That the management and marketing arrangements be reviewed with a view to achieving a substantial improvement in use and income.
- (v) That there be wide consultation with those interested in the use of the Town Hall regarding the refurbishment works, such consultation to be overseen by the Chairman of the Council.

1.8 A further Advisory Group was established under the Chairman. The Advisory Group supported the commissioning of a specialist consultant to report on the condition of the building and suggest options for its refurbishment for community use. This exercise was supported by a targeted consultation exercise which included:

- Past, present and potential users of the building;
- Local interest groups and organisations;
- The WSCC Registrar's Office.

The consultant's report was presented in August 2007. The cost of works considered necessary to meet the Council's requirements and obligations is estimated to be a minimum of £750,000. The Chairman reported on the work of the Advisory Group to Council on 17th October 2007. The report summarised the work undertaken by the Advisory Group since its inception in October 2006. Council resolved that the work undertaken by the Chairman's Advisory Group be noted and endorsed. The work of the Advisory Group was thus concluded, and as the Town Hall is a corporate asset, the matter was allocated to the Cabinet Member for Finance and Assets.

2. **DETAILS**

Existing Use Details

- 2.1 The Town Hall has been used for a variety of community and commercial purposes for a considerable number of years. The average annual income from the building in 2007/08 is anticipated to be £18,000. Total running costs, excluding staff time are approximately £30,000 pa. Although the building is structurally sound, listed buildings of this age and type are expensive to operate and maintain. Although benefitting from relatively modern heating plant, the building is not energy efficient.

The rear section of the building is occupied by WSCC Registrar's Service under a secure business tenancy.

Asset Management Advisory Group

- 2.2 The future use of the Town Hall was considered at the Advisory Group meeting held on 10th December 2007. The Cabinet Member instructed officers to research the potential for community groups to obtain external funding to refurbish and operate the building. A further meeting of the Advisory Group was held on 25th January to consider the officer's findings. An Officers Group including Howard Collins, Community Development Officer (Grants and Funding), advised that the principal sources of grant funds would be the Big Lottery Fund and heritage-based charities. Having regard to the particular social and economic criteria cited by such funding bodies, coupled with the fact that there is sufficient alternative community space in Horsham Town Centre, it was advised that there would be no realistic prospect of making a robust case to secure such funding.

Future Viability and Use

- 2.3 In the light of the identified cost of improving and refurbishing the building for general community uses, and given the availability of a significant number of other venues in the Horsham area for such use, it is considered appropriate at this stage to review the future use of Horsham Town Hall.

It will be important to ensure that future use of the Town Hall is both viable and represents an appropriate use of the building. The Head of Property and Economic Development has undertaken research into possible commercial users. This research revealed a strong demand for restaurant use in the Town Centre, particularly in the Carfax and East Street areas. Commercial users express a

strong preference for prominent and character buildings, but would wish to use all of the building – sharing with other users would be considered a major operational risk.

The preference would therefore be to relocate the Registrar's Office and offer the whole of the Town Hall to a commercial user, there are no fetters on the Council's title to the property which would restrict such a course of action. WSCC and the Registrar have been consulted on this issue and are prepared to consider a relocation, subject to the alternative accommodation meeting their specific requirements. The Registrar's Service needs to plan long-term as its customers can be making bookings up to a year ahead. If the recommendations of this report are agreed, the two Councils will work together to identify a suitable future home for the service.

It is anticipated that a rental income of around £75,000 per annum for restaurant use of the building should be achievable, on the basis of a lease to the operator on full repairing and insuring returns, which would relieve the Council of the cost of ongoing repairs and maintenance. Also, the granting of a lease would be subject to the prospective tenant completing a comprehensive refurbishment of the building to a specification to be agreed by the Council. This would relieve the Council of having to spend £750,000 on refurbishment and repair works.

Planning Issues

- 2.4 The building is Grade 2 listed and located within the Town Conservation Area. The status of the building, and its location within the conservation area, means that any alterations will need to be sensitively designed and executed.

Should the Council support the recommendation of this report any prospective occupier would have to obtain listed building consent and planning permission for any change of use. The applicant would need to demonstrate that the loss of a community facility could be justified – Policy CP14 of the LDF Core Strategy seeks to safeguard the stock of community facilities from unnecessary loss. When the Planning Committee considers the application they will need to assess the degree to which the need for such facilities is already served within the town. Such a planning application will also have to address detailed issues such as servicing and any impact on neighbouring properties.

Town Centre Economy Issues

- 2.5 The continued viability and vitality of Horsham Town Centre remains a key objective for the Council. This objective is detailed in the Local Development Framework Core Strategy (Policy CP18). The Draft Corporate Plan details 'supporting a vibrant economy' as one of the corporate themes. There is broad support within this key theme for maintaining and improving the town centre economy, particularly by making best use of the assets of the District.

The Council continues to promote the 'Time Well Spent' campaign to encourage visitors to Horsham Town Centre. The broader visitor experience, including café and restaurant visits, are a key part of this campaign. Major research has indicated that the proportion of café and restaurant use has risen significantly over the past 10 years and in, some town centres, represents up to 20% of commercial retail use.

Research undertaken by the Head of Property and Economic Development has indicated a strong demand from both independent and national restaurant companies. It is anticipated that there would be a strong level of interest in the Town Hall should it be offered on the open market.

In partnership with WSCC, the Council is also promoting the East Street pedestrianisation scheme. This proposal will also include Market Square, the area fronting the Town Hall. The pedestrianisation will be part-time from 10.30am to 4pm each day. The project will represent a joint capital investment of £600,000 in the Town Centre and will encourage higher pedestrian flows in the area and should result in a corresponding increase in business activity for traders within the project area. The first stage experimental works are scheduled to commence in April 2008. Should the proposals and consultations prove satisfactory the permanent works will be completed in Spring 2009. A commercial use of the Town Hall would be well-placed to take advantage of the opportunities offered by this project.

3. NEXT STEPS

- 3.1 Should the recommendations contained in the report be approved by Council, a commercial property agent will be commissioned to market the building. Expressions of interest will be sought from quality restaurant operators. It is

expected that a small number of bidders will be selected to present detailed proposals to the Council. Such proposals will detail specific use, programme and financial appraisals. The Council would wish to select a preferred partner and subsequently develop a detailed scheme. The granting of the lease would be subject to all necessary statutory consents being obtained and the refurbishment work completed. Once a preferred partner has been identified, the details of the deal will be reported to Cabinet.

- 3.2 There would be a need to relocate the Registrar's Office to an alternative building within central Horsham. The Head of Property and Economic Development will undertake the necessary research with local commercial agents to identify suitable premises and will maintain regular contact with the relevant officers at WSCC.

4. OUTCOME OF CONSULTATIONS

- 4.1 Consultations were undertaken as part of the work of the Chairman's Advisory Group in 2007, which is referred to elsewhere in this report.

5. OTHER COURSES OF ACTION CONSIDERED BUT REJECTED

- 5.1 Other courses of action have been explored in great detail, particularly the continuation of the existing use and granting of a long lease of the building to a community organisation.

Such options need to be balanced against the need to achieve a cost-effective and appropriate use of the building to secure its future viability as part of the Council's asset base.

6. STAFFING CONSEQUENCES

None.

7. FINANCIAL CONSEQUENCES

- 7.1 Research undertaken by the Head of Property and Economic Development has indicated a potential rental income in the region of £75,000 per annum for restaurant use.

7.2 The granting of a lease on full repairing and insuring terms would relieve the Council of all existing costs relating to repairs and maintenance.

7.3 The granting of a lease would be subject to the prospective tenant completing a comprehensive refurbishment of the building to a specification to be agreed by the Council. This would relieve the Council of having to spend in the region of £750,000 on refurbishment and repair works.

8. **HOW THE PROPOSED COURSE OF ACTION WILL PROMOTE HUMAN RIGHTS**

None.

9. **HOW THE PROPOSAL WILL HELP TO REDUCE CRIME AND DISORDER**

None.

10. **HOW THE PROPOSAL WILL HELP TO PROMOTE RACE RELATIONS**

None.