

**Minutes of the meeting of General scrutiny committee held at Three Counties Hotel, Belmont Road, Belmont, Hereford, HR2 7BP on Tuesday 10 August 2021 at 10.15 am**

**Present:** Councillor Jonathan Lester (chairperson)  
Councillor Tracy Bowes (vice-chairperson)

**Councillors: Sebastian Bowen, Paul Rone, Louis Stark, David Summers and William Wilding**

**In attendance:** Councillors Gemma Davies (Cabinet Member – Commissioning Procurement and Assets), Liz Harvey (Deputy Leader and Cabinet Member for Finance, Corporate Services and Planning, David Hitchiner, Leader of the Council, Polly Andrews (Member for Widemarsh Ward), and Hereford City Councillor Paul Stevens (The Mayor of Hereford).

**Officers:** Guy Goodman (Deputy Solicitor to the Council), Neil Taylor (Interim Director, Economy and Place), Matthew Evans (Democratic Services Officer), Jennifer Preece (Acting Democratic Services Officer), John Coleman (Democratic Services Manager and Clerk), Helen Beale (Senior Estates Manager), Sarah Jowett (Head of Programme Management Office).

**19. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Barry Durkin

**20. NAMED SUBSTITUTES**

Cllr Paul Rone (for Cllr Durkin)

**21. DECLARATIONS OF INTEREST**

No schedule 1 or 2 interests were declared.

**22. MINUTES**

**RESOLVED:** That the minutes of the meeting held on 19 July be approved.

**23. QUESTIONS FROM MEMBERS OF THE PUBLIC**

There were no questions from members of the public

**24. QUESTIONS FROM MEMBERS OF THE COUNCIL**

There were no questions from members of the council.

**25. FREEHOLD DISPOSAL OF THE TOWN HALL, ST. OWENS ST. HEREFORD**

The committee invited the Interim Director for Economy and Place and the Head of Programme Management Office to introduce the proposals for the disposal of the Town Hall.

The following principal points were explained:

- The future of the Town Hall is an issue that has been considered for some time – options around community asset transfer have been and continue to be explored but have not been successful to date.
- Importantly, no formal decision has been taken to dispose of the Town Hall.
- The council is currently considering how it manages its estate as part of a wider asset strategy and workforce (post Covid) accommodation review.
- It was noted that conditions surveys have been undertaken and maintenance issues with the Town Hall – as would be expected in an older building - have been identified
- Within this context, the views of the committee, and the attending Mayor of the City Council, on the potential uses for the Town Hall including whether, or not, it should be sold on the open market are welcomed.

### **The chair invited committee members' views.**

The following principal points were offered by committee members:

- An immediate concern is the visual prevalence of damp and black mould – can urgent action be taken to ensure de-humidifiers are placed in the building to ensure the health of staff is not placed at unnecessary risk?
- The property strategy 2016/20 sought to keep both the Town Hall and the Shire Hall fit for public use. A view was expressed that the committee should not be asked to consider the future use/ownership of the Town Hall in isolation – it must be in combination with the wider strategy review.
- Members of the public need to be engaged in this conversation. Local Authorities do not receive grants to help them maintain their estate, are the public prepared to pay though increases in local precepts, for example, to maintain these public assets?
- Observations were drawn to the current costs of maintaining the Town Hall and the backlog of estimated maintenance costs (of £1.8m) with potential to increase. While these are relatively high sums of money, this would be dwarfed by having to replace and rebuild.
- It was noted that figures supplied in Appendix A relating to income was drawn from F/Y 2020/21, whereas the date for running costs were taken from 2019/20. The committee requested the income figures from 2019/20 are included to avoid imbalanced/worse case scenario financial reporting.
- In considering the options for market disposal, does this include No. 8 St. Owens St, and if so had consideration been given to re-investing any income generated from this ancillary sale to cover the maintenance requirements of the Town Hall?
- Whatever disposal option is committed to the Town Hall must remain open for public use.
- Enquiries were made as to where the current services operating out of the Town Hall, such as registration and licensing services, would be relocated to once the disposal has been completed.
- Further, what was the estimated market value of the site?

**Action:** Officers to provide the income figures for 2019/20 to the committee.

In responding to a number of these points, attending Cabinet Members and officers noted that:

- The preferred option for disposal remains a community asset transfer, there continues to be active negotiation with the city council and a local community group.
- Disposal will include the Town Hall, No. 8, the car-park and the garage.
- If, however, open market sale is the only realistic option - consideration would be given to the saleability of various elements of the site. Not with a view to profit from the sale, but with a view to ensuring the right buyers can be identified.
- The Town Hall, No. 8, the car park and garage is estimated at a total of £365k, this valuation reflecting the current condition and backlog of maintenance cost of £1.8m
- A key concern to all parties interested in the council's preferred option of community asset transfer is this liability – open market disposal may be the only realistic option if this cannot be overcome.
- However, the current context of the council needing to find £11.5m worth of savings this financial year is placing significant pressures on what the council can and cannot prioritise in terms of spend.
- The executive has considerable support for the city council becoming the new owners, recognising that they remain the largest of the county's parish councils who do not have their own offices.
- Whatever form of disposal is forthcoming, the new owners must be realistic and responsible for the liabilities of owning and maintaining an asset like the Town Hall.
- Public consultation has taken place – the data presented back to the council shows that maintaining council buildings is a very low priority for members of the public. It was noted that no members of the public had attended this meeting, giving a further indication of the levels of public interest.
- However, the council remains open to asking the public again for their views.
- The cabinet remain open to all good ideas that might facilitate public ownership, and to enable the city council and/or community groups to take ownership of this much valued site.

**The chair invited committee members to respond to these points.**

- It was suggested that a community interest company could be set up which would open up opportunities, not open to the council, to apply for grants and other sources of funding.
- Herefordshire Council would be willing to offer a 'letter of comfort' to support the city council in applying for grants, should they seek to pursue this as an option.
- The city council should also consider a public works loan - repaid over a long period of time – to provide the means to mitigate the liability at little or no extra cost to the public purse.
- Consider new uses – for example - open the building up to high profile artists to generate new income streams. The city council noted that they have similar ambitions to celebrate nationally recognised local artists.
- Acknowledgement was given that the city council remain open to and active participants in negotiations to find a community asset transfer arrangement.
- A contention was raised over the estimated liability figure of £1.8m stated by the council. The City Council – following their own independent surveys – suggest this liability figure is closer to £6m. It was suggested that to cover such liabilities would equate to raising local precepts by 50%.
- This point was responded to by indicating that other local town councils in the county do raise their precepts to ensure they can maintain their public offices. It is a reasonable expectation that the city council would need to do the same if they were to take on ownership.

- The discrepancy in the estimated liabilities was felt to be as a result of historical maintenance not complying with the necessary standards for maintaining a grade 2 \* listed building.

**Action:** The Cabinet Member for Commissioning, Procurement and Asset committed to write back to the committee on this point and to highlight whether compliance with maintenance for a building with listed status had been undertaken to date.

- Community Interest Companies and Charitable Incorporated Organisation models are being explored by the city council, under current Covid 19 working these operating models are taking longer to set up and establish than the current decision date would allow.
- It was suggested that given that the city council wish to take on ownership of the Town Hall that additional time should be offered to them to ensure they are able to put forward their business case and set up the right legal structures to be able to facilitate this outcome.
- That business case should be consulted on, with members of the public within the city council parish being consulted on the implications of shared financial responsibilities.

**Recommendations were proposed and seconded and it was unanimously resolved that:**

1. **As an immediate maintenance step - dehumidifiers are placed in the Town Hall to reduce/mitigate any immediate health related issues.**
2. **This decision should not be taken in isolation, but should be brought together with all of the council's listed buildings within the asset review.**
3. **The council consults further with the residents of Herefordshire (as part of the current round of budget consultation) to explain the costs of maintaining our council buildings, and to invite their views as to how the council should look to manage its estate of council buildings.**
4. **Clarity is given on exactly which elements of the Town Hall building is proposed for disposal if open market sale or a community asset transfer is the recommended option.**
5. **As part of the asset review, exploration is given to the possibility of selling No. 8 separately, with the proceeds of sale being re-invested in the restoration of the Town Hall to make it more viable as a community asset transfer.**
6. **That whatever the form of disposal is, it is stipulated that the Town Hall remains open for public use.**
7. **If a Community Interest Company/Charitable Incorporated Organisation is created, Herefordshire Council must accept its financial liabilities in accordance with legal, planning and property services advice and-**
  - a) **That rather than have a hard deadline for a decision, the council agrees to a suitable transition (time limited) period to help deliver and secure the asset transfer.**
  - b) **That the financial costs (around ownership and maintenance) must be built in to the Hereford City Council preferred ownership model.**

8. The differences of view between Herefordshire Council and Hereford City Council set out within the condition survey estimates are revisited to establish a clear position on the backlog of financial costs of maintenance.
9. The Council reviews and updates its corporate property strategy to include a separate strategy for its listed buildings.
10. The urgent maintenance of the beam be addressed

**26. DATE OF NEXT MEETING**

The next scheduled meeting is 13 September 2021, 10.15 a.m.

The meeting ended at 13.27pm

**Chairperson**