

Title of report: Future of Town Hall and No. 10 St. Owen's Street, Hereford

Meeting: Cabinet

Meeting date: Thursday 29 September 2022

Report by: Cabinet member commissioning, procurement and assets

Classification

Open

Decision type

Key

This is a key decision because it is likely to result in the council incurring expenditure which is, or the making of savings which are, significant having regard to the council's budget for the service or function concerned. A threshold of £500,000 is regarded as significant.

This is a key decision because it is likely to be significant having regard to: the strategic nature of the decision; and / or whether the outcome will have an impact, for better or worse, on the amenity of the community or quality of service provided by the authority to a significant number of people living or working in the locality (two or more wards) affected.

Notice has been served in accordance with Part 3, Section 9 (Publicity in Connection with Key Decisions) of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012.

Wards affected

(All Wards);

Purpose

To agree which of the presented recommendations, if any, offer a preferred way forward regarding the future of the Town Hall and 10 St. Owens Street and, to invite Cabinet to propose alternative recommendations for further development and consideration.

Recommendation(s)

That:

- (a) Cabinet consider the options set out in this paper and select one to take forward or propose an alternative option. The options are:**
- i. Subject to agreement of heads of terms by 31 December 2022, to transfer the freehold of the Town Hall and No. 10 St Owens Street to Hereford City Council with the transfer to be completed by 31 October 2023, and in the event that these deadlines are not met to complete an option appraisal which will include disposal on the open market; OR**
 - ii. Dispose of the freehold of the Town Hall and No. 10 St Owens Street on the open market; OR**
 - iii. Invest in and retain the Town Hall campus.**
- (b) the Director Resources and Assurance be authorised, subject to consultation with the Cabinet Member for Commissioning, Procurement and Assets, to take all operational decisions necessary to implement the preferred recommendation.**

Key considerations

1. This report outlines options that will support the Corporate Asset Review. The Town Hall campus accommodates Council services plus a variety of external tenants, it is expected that the Council services will be over time accommodated in other Council premises.
2. It should be noted that in addition, Cabinet have made a commitment in the Delivery Plan 2022-23 [Delivery Plan 2022-23 \(herefordshire.gov.uk\)](https://www.herefordshire.gov.uk/Document/central/2022-23-Delivery-Plan) , page 10 to
 - Management of the council's assets to maximise their use (supporting objective CO0)
3. The properties considered by this report include The Town Hall and the adjacent attached building to the left of it No 10 St Owens Street. The Town Hall has a pay & display car park to the rear (staff M-F) and an old coach house / garage that houses the mayoral vehicle. The Town Hall is currently an operational site used by Registrars, Car Park Enforcement, Custodians and Coroners. It also includes storage, an IT data room and the City Council, Town Information Centre and BID as external tenants. The current service provision and facilities at this site will be assessed as part of the corporate asset review with alternative service locations being identified.
4. No 10 St Owens Street houses Electoral Services and the Public Rights of Way team have recently relocated here.
5. A proposed Cabinet Member report on the disposal of the Town Hall was reviewed by General Scrutiny on 10 August 2021.
<https://councillors.herefordshire.gov.uk/ieListDocuments.aspx?CId=809&MId=8345&Ver=4>
6. One of the recommendations of the Committee was:
 - a) Recommendation b. *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.*

7. As a result, a consultant was appointed to review both Town Hall and Shirehall sites along with Churchill House with a view to understanding current use (pre-closure use for Shirehall) and potential future uses, subject to any findings of the corporate asset review. A summary of the key findings is shown below.

Outcome of Listed Site Review

8. A Listed Site Review was commissioned on Shirehall, Town Hall and Churchill House sites.
9. The report concludes that Shirehall has an identified use going forward, subject to investment, for a court provision, potential council or external offices and meeting / event space. Due to its configuration, facilities and listing there are few alternative uses for the building.
10. The report also notes that the Town Hall campus has poor space utilisation. The configuration of the accommodation and its listed status mean that it is inflexible and must be taken on its merits.
11. The future uses by the council of the building are expected to be limited to current office and some ceremonial uses. As the site currently delivers some front of house services this is an option subject to accessibility. The council has no identified use for the vacant space and a full review and design appraisal will be required if the building is retained.
12. Churchill House is noted as being the interim venue for the courts but longer term, could be repurposed or disposed of as a result of the corporate asset review.

Proposal

13. Recent discussions with the City Council have agreed, in principle, the following action plan for the Town Hall and No 10. St Owens St (referred to as 'the property').
 - a) That the freehold title property be transferred to the City Council at a peppercorn consideration- thus the Council would be forgoing a capital receipt;
 - b) That the Heads of Terms (HOT) for such a transfer be established and agreed formally by the 31st of December 2022, to include agreement on transfer of liabilities; and
 - c) That the transfer of the property be concluded by 31st October 2023.
14. If these dates are not met, the Council reserves the right to cease the transfer and seek other options such as disposal on the open market.
15. The Corporate Asset Review is underway and as part of this, a requirement to find alternative accommodation for Council services is a priority. Other sites and funding will be required to relocate services and as such, it is likely to include in the HOT, a requirement for the Council to retain accommodation in the Town Hall or No.10 St Owens St for an agreed period of time. The Council would pay an appropriate amount of rent and service charge to the City Council.
16. Cabinet are requested to provide a preferred option(s).
17. A separate report will be brought forward setting out the investment required to reopen the Shirehall.

Community impact

18. The Town Hall is a public or community asset- available to book by the community. The Council is aware that providing community facilities is vitally important to community adhesion, culture and skill building.

19. Enabling a way forward with regards the Town Hall and number 10 is vital to provide a long term, viable solution to civic sites.
20. If retained, by investing in assets by means of improving building service installations for instance replacing less efficient electrical equipment and improving mechanical installations, these proposals will contribute towards the delivery of the aims within the council's County Plan 2020 - 2024 to 'support improvement in the quality of the natural and built environment'.
21. The council aims to support local contractors and suppliers where possible.
22. The Town Hall, if transferred to the City Council will be available for community use.

Environmental Impact

23. The City Council, if successful in taking the freehold transfer of the site will be responsible for meeting their own and legislative environmental commitments.
24. If retained, this decision seeks to deliver the council's [environmental policy commitments](#) and aligns to the following success measures in the County Plan.
 - Reduce the council's carbon emissions
 - Work in partnership with others to reduce county carbon emissions
 - Improve the air quality within Herefordshire
 - Improve energy efficiency within council owned assets
25. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors the council shares a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
26. The development of any project as a result of this report will seek to minimise any adverse environmental impact and will actively seek opportunities to improve and enhance environmental performance.

Equality duty

27. Any investment made to buildings that are retained will take into account keeping buildings compliant and ensuring they are accessible for disabled people and all those that share a protected characteristic
28. This decision pays due regards to our public sector equality duty as set out below:

Under Section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
29. Ensuring that improvement works on property assets that form part of the councils asset planning and service delivery model will confirm that the council's equality responsibilities are met in so far as the physical built environment is managed in such a way as to comply with the Equality Act.
30. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. Our providers will be made aware of their contractual requirements in regards to equality legislation.
31. Ensuring that improvement works are undertaken will safeguard that the council equality responsibilities are met in so far as the physical build environment is managed in such a way as to comply with the Equality Act. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes. Any services that are delivered from these buildings will require an impact assessment to demonstrate that they comply with the equality act.

Resource implications

32. Disposing of the property could result in revenue savings although this will not necessarily be known initially due to the potential requirement to pay a service charge and the results of the Corporate Asset Review.
33. This report identifies that if a decision is taken to dispose of any of these buildings, there will need to be consideration of alternative sites for location of any services that currently use these buildings. That work is still to be concluded. It is possible, therefore, that there would be additional costs from securing alternative locations for any services, staff car-parking etc. but these have not yet been determined.
34. If a decision was taken to retain any of the buildings and the investment made, then future running costs have yet to be determined. This will be dependent on any changes to the configuration of the buildings, changes to future usage and any third party income. It is, therefore, not currently possible to forecast what the potential net revenue financial implications will be if the buildings were to be retained.
35. If the Town Hall is retained and current unused areas put back into commission then there may be a revenue implication due to increased running costs, however these may be offset by additional income streams.
36. Since 2015/6 the council has invested over £678k at the Town Hall campus.

Legal implications

37. This report sets out options for Cabinet to discuss and recommend and therefore there are no direct legal implications arising from the report.
38. However the council will need to consider its duties under the Planning (Listed Buildings and Conservation Areas) Act 1990 in relation to its duties as freeholder in relation to the Shirehall, Churchill House and Town Hall as these buildings are listed.
39. Any capital works undertaken to either building or disposal will be subject to a separate decision.

Risk management

Risk / opportunity	Mitigation
Any deterioration of a property asset and/or failure to ensure the property is suitable for current and future use may result in its closure and affect services delivered from the property.	The council allocates an appropriate budget to maintain the buildings as part of its annual budget process; this budget is designed to ensure the building is fit for purpose and keep services running.
Reputational risk with the council not having a clear plan on sites for retention / disposal leading to deterioration of fabric and health and safety issues	Form a clear plan around retained sites to develop an investment plan
Poor space utilisation in the future.	Ensure a clear plan of occupation is established in advance.
Unknown costs and works once invasive works on site commence	Do all surveys and assessment as reasonably practical in advance and build in suitable contingency.
Price inflation of materials, supplies and labour cost lead to costs exceeding budget	Ensuring the design stage assessments are thorough to minimise unforeseen costs, as well as appropriate contingency planning. Ensuring the specification for all tendered works as robust as possible, and running a wide procurement process.

Consultees

40. A Political Group consultation was undertaken on 1 July 2022 based upon a Joint Report of Shirehall and Town Hall. The key comments resulting are as follows

General notes of the discussion held are as follows:

- Doing nothing was not an acceptable option
- Concerns were raised over the level of investment required to the Shirehall and Town Hall.
- Discussions were held around potential options once a decision is made. It was recognised that the existing HC staff would be to be relocated.
- No strong views on any of the options were apparent.
- General view was that movement was needed to resolve the current impasse.
- If invested in, a requirement to 'fix' Shirehall was required not a 'sticking plaster'

Appendices

None

Background papers

None identified

Report Reviewers Used for appraising this report:

Please note this section must be completed before the report can be published

Governance	John Coleman	Date 21/06/2022
Finance	Karen Morris	Date 29/06/2022
Legal	Alice McAlpine	Date 05/07/2022
Communications	Luenne Featherstone	Date 28/06/2022
Equality Duty	Carol Trachonitis	Date 13/06/2022
Procurement	Lee Robertson	Date 13/06/2022
Risk	Kevin Lloyd	Date 13/06/2022

Approved by Andrew Lovegrove Date 21/09/2022