

## **CABINET**

<b>DATE</b>	30 <sup>th</sup> September 2020
<b>REPORT OF</b>	Councillor John Fenty – Portfolio Holder for Regeneration, Skills and Housing
<b>RESPONSIBLE OFFICER</b>	Sharon Wroot – Director of Resources and Governance
<b>SUBJECT</b>	Disposal of the Former Holme Hill School/ Education Development Centre
<b>STATUS</b>	Open
<b>FORWARD PLAN REF NO.</b>	Not included on the Forward Plan – to be considered under the General Exception rules as set out in the Council’s Constitution.

### **CONTRIBUTION TO OUR AIMS**

The disposal of the Grade II Listed buildings known as the Former Holme Hill School/ Education Development Centre (the “Site”) will enable the release of the Site in order for marketing and interest for alternative ownership, management, and investment which will provide the opportunity for the Site to be brought back into active use.

Most of the buildings at the Site are currently unused, with a small proportion occupied by The Rock Foundation. The Site is in need of investment and by marketing the opportunity, all interests will be considered as to how the Site could be disposed and be part of facilitating a sustainable community by complimenting the regeneration of Freeman Street and improve the immediate street scene.

The disposal supports the Council’s outcome of ‘Stronger Economy’ by enabling the Site for offer to the market which could ensure it remains sustainable for the longer term. This would also ensure that no further financial constraint is placed on the Council which would support our determination to be an efficient and effective Council.

The disposal will also contribute directly towards the Council’s aim of supporting the development of ‘Stronger Communities’ by empowering localised ownership, with opportunity for supporting residents and visitors. By enabling this disposal, the Council will take reasonable steps to ensure that the building condition is sympathetically restored and does not put local communities at financial risk.

### **EXECUTIVE SUMMARY**

This report seeks authority to dispose of the subject Site; namely the former Holme Hill School/ Education Development Centre. The purpose of this report is to gain agreement to the principle of disposal. Approval to the disposal will allow the Council to progress with marketing the site for opportunities and determine whether there is appetite for leasing or selling the freehold.

Due to the nature of the buildings being Grade II Listed and significant condition improvements that are required, the Council wish to explore all suitable forms of

disposal to ensure a future use or development is viable and the buildings are brought back into use within a reasonable time frame. As such, the Council will impose certain conditions that would see reasonable steps being taken to bring the Site back into use. Any deviation or prolonged delay could result in the Council reserving the right to acquire the Site back into its ownership at a price deemed to be Best Value at that time.

## **RECOMMENDATIONS**

It is recommended that Cabinet:

1. Approves the marketing and disposal of the former Holme Hill School/ Education Development Centre; subject to a condition of disposal that works are undertaken to address defects that remove the Site from the Heritage At Risk Register and the Site be progressed for further development (within an agreed timeframe).
2. Delegates to the Director of Resources and Governance in consultation with the Portfolio Holder for Regeneration, Skills and Housing authority to settle all heads of terms and ensure that all necessary actions are carried out to complete the disposal.
3. Authorises the Chief Legal and Monitoring Officer to complete and execute all requisite legal documentation in relation to the matters outlined above.

## **REASONS FOR DECISION**

The Site has not been in full operational use over recent years; having been last fully occupied by Rock Foundation as a community facility. The Site has not benefited from investment for a significant period since it was no longer required for operation use by the Council. The proposal is to market the Site to ensure it is brought back into a good standard of repair and beneficial use. This will result in a use which is demonstrably sustainable and viable and removes all cost liabilities from the Council.

### **1. BACKGROUND AND ISSUES**

- 1.1 The Council is the owner of the Site as shown edged red as per the attached plan at Appendix One.
- 1.2 The Site is currently mostly vacant and is in a poor state of repair. Part of the Site is occupied by The Rock Foundation who have been engaged by Officers as part of seeking approval to the recommendation to dispose of the Site. The Council will continue to explore any alternative accommodation solutions, which are subject to circumstances outside the scope of this report.
- 1.3 The building is extensive and includes a Clock Tower which is in need of repair and is listed on the Heritage 'At Risk' Register, requiring immediate works. A schedule of works, in consultation with the Conservation Officer, has been agreed to the value in excess of £400,000 which would allow it to be removed from the Register.

- 1.4 Additional works would also be required to repair all condition defects, items of wear and tear and substantial works in order to meet current building regulations and to allow the building to be used for operational purposes.
- 1.5 Due to the ongoing holding costs and extensive work required to repair the premises, the Council are now considering disposal. As the Property is Listed there would be a requirement to consult with Historic England.
- 1.6 Due to its condition and listing on the Heritage 'At Risk' register, the requirement for a prospective purchaser or tenant to undertake condition defects within a set timescale will need to be included in the contract of sale to ensure the long term viability and use of the Site and as a minimum remove it from the Register.
- 1.7 Planning have been consulted with regards to potential uses. In respect to residential conversion, this would have to be highly sympathetic to avoid materially harming the building. Other usage such as an open plan office or events space/classroom would require less alteration and may be more viable.
- 1.8 The Council must also consider the strategic reasons why it holds property as well as the wider site demographics. The Site has not seen substantive investment over the term of the use by the Council and would benefit from the disposal. Therefore, the matter of the condition of the premise and the protection and investment this Site would benefit from should be addressed with any prospective purchaser or tenant which would complement the planned regeneration schemes in this area.

## **2. RISKS AND OPPORTUNITIES**

The risk to the Council in progressing a disposal is considered mid-range. This is due to the Grade II Listed status and current condition defects which are required so that the Site is removed from the Heritage 'At Risk' Register. The Council will place a restriction on the sale or lease to ensure that the prospective purchaser or tenant is contracted to undertake these works within a set timescale. If works remain outstanding, the Council will have the ability to take further action to ensure the works are completed.

There are identifiable environmental sustainability implications as a result of the recommendation, as the Site is subject to identified condition defects which need to be addressed. The disposal will allow a prospective purchaser or tenant to take positive action in relation to improving the condition of the Site which could attract external funding, allowing for ongoing maintenance and further improvements. The result will be that the buildings will once again become operational and in use, contributing a positive reflection to the street scene within an established and well used area within this part of the Borough and will ensure there are no further financial commitments to the Council.

### **3. OTHER OPTIONS CONSIDERED**

To do nothing would see the Site continue to be under-utilised and would not enable investment into maintaining a Grade II Listed buildings to their full potential. The overall condition would continue to deteriorate attracting anti-social behaviour and all the repair and maintenance obligations as well as the likelihood of being served statutory notice to carry out repairs due to the Listed status would rest with the Council. This is not recommended as the best option as all liability would rest with the Council which would not result in the level of investment required and would result in a negative impact to the community.

### **4. REPUTATION AND COMMUNICATIONS CONSIDERATIONS**

There are both positive and negative reputational implications for the Council resulting from the decision to dispose of the Site. The agreement of sale or lease will address the condition defects which are required and ensure any potential interest agrees to invest and improve the Site for the benefit and use to the local area. The Council's communications service has been briefed of the proposal and will issue any information requirements, as necessary.

### **5. FINANCIAL CONSIDERATIONS**

The proposal outlined within this report supports the Council's key outcomes and priority of a stronger community, by enabling the premises to be marketed and the opportunity for private investment to maintain and use these premises, which will benefit the community and improve the street scene.

The management and maintenance costs will be financed through the prospective new owner/ tenant. The net effect on Council reserves over the life of the recommendations will be reduced and, in some cases where possible, removed. All maintenance responsibility of the Site will be that of a new owner/ tenant.

On an ongoing basis the proposal will require no revenue or capital expenditure being provided by the Council which is consistent with the Council's policy to contribute to improved value for money and supports the financial objective and our determination to be an efficient and effective Council.

### **6. CLIMATE CHANGE AND ENVIRONMENTAL IMPLICATIONS**

The recommendations outlined within this report have been considered so far as their impact of the proposal on climate change and the environment. In reference to the Council's environmental policy, the proposal supports the Council's environmental priorities:

- By recognising and realising the economic and social benefits of a high-quality environment.
- By working towards a low carbon North East Lincolnshire that is prepared for, and resilient to, the impacts of climate change.

## **7. CONSULTATION WITH SCRUTINY**

There has been no consultation with Scrutiny to date.

## **8. FINANCIAL IMPLICATIONS**

The recommendation to market and dispose of the site may generate a capital receipt if sold which would be available to offset the costs of the Council's ongoing capital programme or finance one off revenue costs through the flexible use of capital receipts. Whatever the disposal, any future management and maintenance costs will no longer be the responsibility of the Council and transfer to the new owner/ tenant thus providing an ongoing revenue saving. Investment in the property will also potentially provide wider economic benefits for the Council.

## **9. LEGAL IMPLICATIONS**

In disposing of a property asset such as this the Council must have in mind its statutory duty to achieve the best price reasonably obtainable (s123 Local Government Act 1972) otherwise there is no legal impediment to disposal.

If disposal took the course of a less than best transaction, then a further Cabinet report will be required in accordance with the Protocol on Disposal of Land for Less than Best Consideration.

## **10. HUMAN RESOURCES IMPLICATIONS**

There are no direct human resources implications arising from the recommendations in this report.

## **11. WARD IMPLICATIONS**

This proposal directly impacts on the East Marsh Ward.

## **12. BACKGROUND PAPERS**

There are no background papers to this report.

## **13. CONTACT OFFICERS**

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**COUNCILLOR JOHN FENTY**  
**PORTFOLIO HOLDER FOR REGENERATION, SKILLS AND HOUSING**

# APPENDIX ONE - SITE LOCATION PLAN

