

NOT FOR PUBLICATION BY VIRTUE OF PARAGRAPH 3 OF SCHEDULE 12A OF THE LOCAL GOVERNMENT ACT 1972

## APPENDIX 2

**FUTURE OF THE TOWN HALL REPORT – ADDENDUM**Details of expressions of interest received

**Note: All the proposals detailed below would require planning approvals, either for change in use and/or partial demolitions and new-build.**

1. Community Group Proposal

The Beeston Town Hall Community Project Steering Committee submitted an expression of interest, the committee consists of:

- Beeston and District Civic Society
- Voluntary Action Beeston (main contact)
- Beeston Community Resource CIO (Middle Street Resource Centre)
- Citizens Advice Broxtowe

*“Our intention is to promote the formation of a new corporate entity to take a legal interest in the town hall and to manage and control its use in the community interest.”*

The proposers wish to *“retain the town hall in substantially its present form ... involving a portfolio of different but compatible uses and bases of occupation.”* The proposers envisage income arising from room hire and a café, along with grants and fund-raising. They envisage a 15 year lease, which initially may require grant aid from the Council but in the longer term could cover occupation costs and even yield a rental income for the Council.

The ultimate vision is a *“vibrant community hub”*. They do not envisage any substantial capital investment. On-going public access is implicit in the proposal.

**A key issue for the Council to explore is the degree of on-going capital and revenue expenditure required from the Council. If taken forward for further consideration then a robust business case will be essential.**

2. Faith Group Proposal

A large Nottingham-based church has recently launched a Beeston-based church “plant” which now has 125 people. *“We are investigating securing a building of our own to continue the work of the church and to enable us to play a more active community role in Beeston.”*

The church envisages additional community activities to those directly associated with church services:

- English language classes

- Money advice (debt)
- Parent and child activities
- Community events

*“We would look to maintain the frontage of the building, the main stairs, the old council chamber and many of the existing rooms on the first floor.”* They would reconfigure other parts of the building at the rear to create a larger main auditorium. They envisage capital expenditure of £750,000 to undertake the improvements and renovations required to achieve their objectives. They would wish to have access to the Devonshire Avenue car park on Sundays (Note: due to the potential need for this car park to serve the new cinema as well, it would not be possible to grant the church exclusive access).

In view of the high level of capital expenditure envisaged by the church it is clear that they would wish to purchase the freehold or possibly take on a very long lease, and that they would not be looking for on-going Council involvement or finance. The “mother” church recently completed a £6m new-build project in Nottingham.

**A key issue for the Council would be the purchase price and whether this should be more widely market-tested. Assurances on occasional public access (without having to attend “services”) may also be helpful.**

### 3. Developer Proposal

A local developer has proposed to acquire the freehold of the town hall at the lower of the independent valuation figures (£510,000). *“Our vision is to redevelop the site and provide apartments for professionals in the town centre ... we intend to keep the façade of the building and its very important Art Deco features. We are more than happy to work in collaboration with the council ... to find a commercial use for the front part of the building.”*

However, the developer states that if a suitable commercial use is not forthcoming and if the Council is unwilling to lease back the front of the building then, after 6 months, it would convert the front to residential use as well. As such it would be assumed that there would be very little public access. The developer would not be prepared to consider a lease. The developer also envisages evening and weekend use of the Devonshire Avenue car park (Note: due to the potential need for this car park to serve the new cinema as well, it would not be possible to grant exclusive access).

The proposal suggests that the developer would fund the Council’s costs in vacating the building. However, these have not been discussed with the developer so it may not be appropriate to rely on this statement. The developer proposes covenants to protect key features of the town hall.

**A key issue for the Council would be the purchase price and whether this should be more widely market-tested. It will also be important to explore what is meant by “the front part of the building”.**

#### 4. Student Co-operative Proposal

This is a joint proposal by Student Co-operative Homes and Nottingham Student Housing Co-operative. The intention is to purchase the freehold of the building for £495,000 to accommodate up to 50 students. In terms of the building:

*“Our aim is to not significantly alter the 1930’s section of the building greatly and our plans at this time see the Old Council Chamber ... retained for use as a communal space for the residents, community events and possibly for hire. Our plans would be to allow access for certain community events and for heritage visits.”*

Other thoughts include:

- Reduced rents for students from lower income backgrounds
- Micro-generation on site to reduce the carbon footprint of the building
- Creating a community garden

**A key issue for the Council would be the purchase price and whether this should be more widely market-tested. The Council may also wish to consider the appropriateness of student accommodation in this location.**

#### Legal Requirements when selling an asset

(fuller details were given in the Council’s Land Disposals policy approved by this Committee on 21 November 2017)

#### **Section 123 - Local Government Act 1972**

In general, the Council is required to achieve the ‘best consideration reasonably obtainable’ when it is disposing of land.

<p>This means that the Council should not immediately accept any of the commercial proposals above (3 and 4, and possibly 2) without a more full marketing exercise to determine the best consideration reasonably obtainable.</p>
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#### **General Consent**

If a Council seeks to dispose of land or buildings at less than the market value, then it has to obtain the consent of the Secretary of State for Communities and Local Government. However, the Secretary of State has issued a number of ‘general consents’ i.e. a set of conditions which, if they apply to a particular transfer, means that the Council does not need to obtain specific permission to transfer at an ‘undervalue’. However, the undervalue itself still needs to comply with ‘normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer’.

The most important of these consents is the General Disposal Consent 2003 (‘the General Consent’ – Circular 06/2003) which permits the Council to dispose of land at

less than its market value, without the need to seek specific permission from the Secretary of State, provided that:

- (a) The purpose for which the land is to be transferred is likely to contribute to the **'promotion or improvement' of the economic, social or environmental well-being of the area**; and
- (b) The difference between the market value of the land and the actual price paid for the disposal (if any) is not more than £2,000,000.

#### Commentary

The town hall has been independently valued by two external chartered surveyors with two different conclusions.

Hebs surveyors - £1,000,000  
Innes England - £425,000

Because there is no prospect of the difference between offer price and market value exceeding £2,000,000 then Secretary of State consent for a sale or disposal at less than market value would not be required. This would allow the Council to consider a lower offer if it deemed it contributed to the promotion or improvement of the economic, social or environmental well-being of the area.

<p>This means the Council could consider proposal 1 and possibly proposal 2 once an offer is received (if deemed of sufficient social benefit) without going to a further marketing exercise.</p>
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