

Cabinet – 14 April 2014

Response to Call In and Regeneration Scrutiny and Performance Panel Recommendations - Grant of Lease to Ryecroft NRC

Portfolio: Councillor A Andrew - Regeneration and Transport

Related portfolios: Councillor I Shires – Community Engagement and Voluntary Sector

Service: Property Services

At its meeting on 19 March 2014 Cabinet approved the following recommendations:

1. That the grant of a twenty five year lease of the land and premises shown, being the New Forest Road site, to Ryecroft Neighbourhood Resource Centre be approved;
2. That the rent payable be fixed at a peppercorn per annum if demanded;
3. That approval be given to the disposal of the Council's freehold interest in Dartmouth House;
4. That authority be delegated to the Executive Director for Regeneration in consultation with the Portfolio Holder for Regeneration and Transport to approve the terms of the lease of the New Forest Road site to Ryecroft Neighbourhood Resource Centre and for the disposal of Dartmouth House;
5. That, to minimise void costs (business rates, security costs etc.), Dartmouth House be demolished and the site cleared.

This decision was "called in" and was reviewed by the Regeneration Scrutiny and Performance Panel on 2nd April 2014. The Panel has recommended that:

1. The local community groups, including the Dartmouth Neighbourhood Forum, be given the opportunity to put a business plan together for the operation of community services from Dartmouth House; &
2. guidance be provided to Cabinet setting out the reasons for the 123 letters from residents, supporting the application for listing of Dartmouth House as an Asset of Community Value, not being included in the report to Cabinet of 18 March 2014.

The implications of approving or otherwise the Scrutiny Panel's recommendations are as follows:

The local community groups, including the Dartmouth Neighbourhood Forum, be given the opportunity to put a business plan together for the operation of community services from Dartmouth House

Dartmouth Neighbourhood Forum (DNF) is seeking to delay the demolition of Dartmouth House whilst it formulates a bid to take over the building and develops a detailed business plan with potential funding providers. It is likely that it would take DNF around six months to do this.

Dartmouth House has been vacant since 31st March 2014. Its security is currently being monitored by the use of random security patrol visits at an estimated cost of £120 per day (£3,600 per month).

If DNF were given time to make a bid, these security visits would be replaced by live in property guardians. These have proved effective at Rushall Mews and Baytree House. Under this arrangement the Council retains responsibility for premises maintenance, utilities bills and rates. Six month void costs with guardians in occupation are estimated at £30,000.

The application to have Dartmouth House listed as an asset of community value succeeded because the criteria for listing (that the property is currently or has recently been used for purposes that furthers the social wellbeing or social interests of the local community) was met. However the future sustainability of this use is questionable due to the condition of the property. An independent condition survey undertaken by CIPFA in March 2013 considered what works were necessary to bring the property into a satisfactory state of repair. To do this (using cost estimates based on CIPFA's Schedule of Rates) will require investment of £287,500 (excluding professional fees and VAT) over the next five years. These works do not include improvements to increase the functionality or suitability of the building.

DNF's business plan would need to set out how it would fund the acquisition of the property and undertake the required repairs. The overall investment requirement, including the value of the site, is c.£1million. The Scrutiny Panel was given information about DNF's current accommodation in Ryecroft Place, known as The Cottage, which is provided by WHG. It is clear that this accommodation has limitations. However other community facilities are available in the locality and Ryecroft NRC has offered DNF use of the facilities at the New Forest Site. This is within 600 metres (0.37 mile) of The Cottage.

The listing of Dartmouth House as an asset of community value does not restrict what the Council, as owner, does with it. The Upper Tribunal (of the High Court) has already considered a community assets case involving Bristol City Council where the owner of a listed asset demolished it prior to redeveloping the site for a different purpose¹. The Court acknowledged that demolition was permitted. The owner in that instance was a private owner but there is no provision in the legislation for a public owner (such as the Council) to be treated any differently. The legislation applicable to community assets² is clear that there is no restriction on what an owner of a listed asset may do with that asset, nor is there any obligation on the owner to see that the asset is used for community purposes. Full details of the legal position are contained in the 19 March Cabinet report.

¹ Matterhorn Capital Bristol Ltd v Bristol City Council (2014)

² As contained in the Localism Act 2011 and the Assets of Community Value (England) Regulations 2012

If Cabinet reaffirms its decision to dispose of Dartmouth House, Asset Management will in due course inform Community Development that it intends to dispose, as is required by the legislation. This will trigger the formal moratorium process and Community Development will publicise and notify DNF of the decision. The six week interim moratorium period, during which community interest groups may register intentions to bid for the property, will come into effect. The receipt of an intention to bid will trigger the six month full moratorium period.

If Cabinet reaffirms its decision to demolish Dartmouth House there is no obstacle to this proceeding during either the interim or full moratorium periods.

That guidance be provided to Cabinet setting out the reasons for the 123 letters from residents, supporting the application for listing of Dartmouth House as an Asset of Community Value, not being included in the report to Cabinet of 18 March 2014

The 123 letters of support that were attached to DNF's application to have Dartmouth House listed as an asset of community value were considered by the Panel that determines applications for property to be included on the list of community assets. This is a separate decision making process to the decision to dispose of Dartmouth House.

The Cabinet report was completed before the Panel met. It contained information about the implications of the listing application. Cabinet were then verbally updated on the Panel's decision.

There was no need to inform Cabinet about the letters received because those letters were submitted in relation to a different decision i.e. the decision to include Dartmouth House on the list of community assets. The important fact for Cabinet was that the property had been listed as an asset of community value.

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4 April 2014



Councillor A Andrew
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