

## TRAFFORD COUNCIL

**Report to:** Executive  
**Date:** 13<sup>th</sup> March 2023  
**Report for:** Decision  
**Report of:** Executive Member for Economy and Regeneration

### Report Title

**Strategic Land Review Programme 2022/23: Altrincham Town Hall**

### Summary

Following the inclusion of Altrincham Town Hall in the Council's 2022/23 Strategic Land Review Programme and the subsequent nomination of the Town Hall as an Asset of Community Value (ACV), this report provides an update on the position in respect of Altrincham Town Hall.

The report provides an overview of activities to date and contains details of steps which will be taken next.

### Recommendation(s)

#### **The Executive is recommended to:**

- i) Note the update in respect of the process to secure the leasehold disposal of Altrincham Town Hall as a site which has been approved and included within the Council's Strategic Land Review Programme for 2022/23 as detailed in the report;
- ii) Approve the commencement of a formal open tender process to explore the disposal of Altrincham Town Hall via a lease;
- iii) Delegate approval to the Corporate Director for Place, in consultation with the Executive Member for Economy and Regeneration, to agree the final tender assessment criteria;
- iv) In accordance with previous delegations, reaffirm the approval to delegate to the Corporate Director for Place, in consultation with the Executive Member for Economy and Regeneration, the authority to identify and confirm the successful bidder following the conclusion of the open tender process;
- v) In accordance with previous delegations, reaffirm the approval to delegate to the Corporate Director of Place, in consultation with the Director of Legal and Governance, the authority to agree the terms and conditions of, and to enter into, all legal documents and/or agreements in respect of the leasehold disposal of Altrincham Town Hall;

vi) Note the previous approvals and delegations in respect of the disposal of Altrincham Town Hall as detailed in the report.

Contact person for access to background papers and further information:

Name: Steve Tranter

*Implications:*

Relationship to Policy Framework/Corporate Priorities	Supporting People out of Poverty and Addressing our Climate Crisis through investment in this key Town Centre asset.
Relationship to GM Policy or Strategy Framework	N/a
Financial	The disposal (via a lease) of the asset will be at best value. This will result in revenue savings as set out in this report.
Legal Implications:	As part of this process the Council will need to ensure it achieves best value through the process whilst adhering to the ACV process.
Equality/Diversity Implications	Through the process the Council will consider the extent to which the proposed use provides equality of access for all members of the local community.
Sustainability Implications	The building is currently inefficient, and it is expected that through the process investment in the building will be achieved.
Carbon Reduction	The recommendations will enable investment in an asset which will have a positive net impact on the efficiency of the asset.
Resource Implications e.g. Staffing / ICT / Assets	None, there are no direct Council staff employed at the TH as it is managed through the Amey Facilities Management Contract.  The impact on staffing will need to be considered once the outcome of the tender process is known.
Risk Management Implications	Transfer of the asset will reduce the Council's exposure to the day-to-day risks of asset management. The Council will be exposed to other risks such as the performance of the business/ group and their ability to pay rent.
Health & Wellbeing Implications	The building is currently underused and so the proposal will enable the building to make a more significant contribution towards the Council's objectives including improved Health and Wellbeing
Health and Safety Implications	Through the disposal process the lease arrangements will ensure that the building is operated safely.

## 1.0 Background

- 1.1 The Town Hall is an underutilised and comparatively expensive asset that is managed as part of the Council's corporate property estate. The current use of the asset is that the ground floor meeting rooms can be booked by the public and local businesses and the civic rooms on the first floor can be booked for weddings and other larger gatherings/ meetings.
- 1.2 In February 2021 the Council adopted the Corporate Operational Estate Strategy. In this Strategy Altrincham Town Hall was identified as an asset that should be reviewed. The review would inform how the asset is used as part of the Council's overall operational estate strategy.

- 1.3 Altrincham Town Hall was included in the Land Sales Review Programme in February 2022. This was again confirmed on 15 February 2023 based on the Executive report which detailed a proposed Strategic Land Review Programme for 2022/23. The Council approved the inclusion of Altrincham Town Hall in the Council's Strategic Asset Disposal Schedule, and it was noted as a site where the Council is already committed to securing a disposal by way of a lease and where that disposal was also subject to statutory requirements.
- 1.4 Amongst other provisions, the Executive report in 2023 provided delegated authority to the Corporate Director of Place to:
  - 1.4.1 Negotiate and accept bids in consultation with the Director of Finance and Systems and Corporate Director for Governance and Community Strategy for all sites listed on the Land Review Programme; and
  - 1.4.2 Enter into required legal agreements in respect of the above.
- 1.5 The Community Right to Bid (Assets of Community Value in legislation) is one of a range of measures introduced in the Localism Act 2011. The Community Right to Bid allows local voluntary and community groups and parish councils to nominate publicly and privately owned buildings and land for listing by the local authority as Assets of Community Value. An asset can be listed if its main use furthers (or has recently furthered) the social wellbeing or cultural, recreational, or sporting interests of the local community and is likely to do so in the future. Examples could include community centres, libraries, parks, village shops, markets, or pubs.
- 1.6 When a listed asset comes to be sold (or disposed of by way of a lease for a period of 25 years or more), a moratorium on the sale of up to six months may be invoked to enable community groups to raise finance, develop a business plan and make a bid to buy the asset on the open market. A register of the successful nominations and unsuccessful nominations is published on the Council's website.
- 1.7 The Town Hall was originally nominated in 2015 by the Altrincham and Bowdon Civic Society. This nomination was renewed in 2021 (accepted by the Council on 25/01/2022). The Council issued a "Notification of Intention to Sell" on 17/02/2022 following the inclusion of the Town Hall in the Strategic Land Sales list. This notification provided community groups with six weeks to confirm they want to take over the asset, and then a further six months to develop and submit a business case.
- 1.8 During this six-month period, the Council has invited interested parties to develop and submit a business case. The parties that were invited to submit a business case were those organisations that had previously expressed an interest in the Town Hall when the Council advertised the opportunity openly (December 2021).
- 1.9 The Council provided the community organisations with a pack of information on the costs and condition of the building. This information was to inform groups proposals in order that they were realistic and deliverable. The Council also offered face to face meetings to assist groups to complete the process and to answer any questions about the asset.
- 1.10 The process that the Council has followed is aligned with the legislation and the moratorium period has now expired. At this point in the AVC and business case process, the Council now has three options to consider;

- Option 1 - Accept one of the business case bids received; or
  - Option 2 - Conduct a further formal open tender process to find a lessee for the property; or
  - Option 3 - Retain the asset and continue to manage it in house.
- 1.11 Any disposal would need to be in line with the ACV process i.e. be completed within 18 months of the Notification of Intention to Sell, if it is disposed of for a period greater than 25 years. If the disposal is not completed in this time then the process as set out in paragraph 1.6 will need to be repeated (or the Council could agree a lease of less than 25 years that would not be a qualifying disposal).

## **2.0 Outcome of the ACV and Business Case Process**

- 2.1 The Council's objective for the ACV and Business Case process was threefold:
- a) Sustainability – to protect the Town Hall for future generations
  - b) Utilisation – to ensure that the Town Hall has a positive impact on the local community/ economy
  - c) Financial – to support the Council's financial health by reducing maintenance and running costs.
- 2.2 Following the expiry of the moratorium period, the Council has received two proposals from community organisations and one proposal from a private business.
- 2.3 The initial assessment of the community proposals is that they do not meet the original objectives of the process. They both fail on the financial objective as it has not been clearly set out how they will reduce the Council's maintenance and running costs. Based on the submissions received, the Council would retain financial responsibility for the asset. Without a secure financial future, the community bids also do not meet the sustainability criteria.
- 2.4 The AVC and business case process to date has identified that there are commercial businesses that would be interested in taking on the building.
- 2.5 Since the conclusion of the AVC and business case process, other community and local business organisations have approached the Council to state that they would be interested in submitting a business case if there was an opportunity to do so.
- 2.6 Given the commercial interest, and the new interest from community organisations it is recommended that the Council goes ahead with Option 2 - Conduct a further formal open tender process to find a lessee for the property.
- 2.7 How this will work in practice is set out below.

## **3.0 Tender Process and Next Steps**

- 3.1 The Council will commence a formal tender process to request proposals from groups and businesses that are interested in taking on the lease of Altrincham Town Hall. This will be an open tender process with any commercial and community proposals considered, as long as they meet the assessment criteria set out below.

3.2 The tender process will be advertised via the Council's tender portal, The Chest. The Council will utilise a transparent scoring criterion which will be confirmed once the tender is launched. The basis of the scoring will be the Council's original objectives:

Criteria	Objective	Weighing
Sustainability	To protect the Town Hall for future generations, recognising its' value as a heritage asset.	%tbc
Utilisation	To ensure that the Town Hall has a positive impact on the local community/ economy	%tbc
Financial	To support the Council's financial health by reducing maintenance and running costs  Any successful bid will need to meet a minimum financial threshold which is aligned to the Council's budget.	%tbc

3.3 This approach will ensure that all interested parties can put forward a proposal. This includes:

- Community Groups that have already submitted a bid
- New bids from community groups and the local business community
- Commercial operators and other interests.

3.4 As part of this open tender process, the Council will need to demonstrate that it has achieved best value. The open tender process will support this and will further be supported by professional valuation advice.

#### **4.0 Financial**

4.1 Altrincham Town Hall currently costs the Council c£60k per annum in running costs. This is inclusive of utilities costs, staffing costs and general facilities management costs incurred through the Amey contract. In the last five years the Council has spent c£79k on repairs.

4.2 The proposal must deliver on the objectives for the Council to avoid these costs. The best proposals will also be able to demonstrate how they will pay the Council a rent for the building.

4.3 At the end of the process, the deal will be subject to confirmation that it provides best value for the Council. The value of the property will be independently verified. It is likely that in concluding this process, the Council is required to fund some up-front maintenance through either repair to the building or a rent-free period.

4.4 The Council has appointed CBRE to provide a commercial valuation of the asset. This will ensure that the asset is disposed of in line with best value considerations.

4.5 It is important to note that the Council is not considering selling Altrincham Town Hall. Any transfer will be on the basis of a lease in order to give the Council control over the asset in the future.

## 5.0 Other Options

- 5.1 The Council could continue to operate the Town Hall in-house and find additional revenue and capital budget to fund the increasing costs of the asset. This option does not meet the Council's agreed objectives as detailed in the report.
- 5.2 The Council could accept the one existing viable business case proposals but this might not capture the best outcome given the new interest in the asset.

## 6.0 Consultation

- 6.1 There is no requirement for consultation and the proposed process provides local community groups an opportunity to put forward their ideas for the future of the Town Hall.

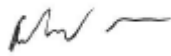
## 7.0 Reasons for Recommendation

- 7.1 To note the update in respect of the process to secure the leasehold disposal of Altrincham Town Hall as a site which has been approved and included within the Council's Strategic Land Review Programme for 2022/23.
- 7.2 The recommendation gives the Council the best opportunity to achieve the following objectives in relation to the asset;
- a) Sustainability – to protect the Town Hall for future generations
  - b) Utilisation – to ensure that the Town Hall has a positive impact on the local community/ economy
  - c) Financial – to support the Council's financial health by reducing maintenance and running costs.

**Finance Officer Clearance** *(type in initials) PC*

**Legal Officer Clearance** *(type in initials) DS*

## DIRECTOR'S SIGNATURE



To confirm that the Financial and Legal Implications have been considered and the Executive Member has cleared the report.