

	<p style="text-align: center;">Assets Growth and Regeneration Committee</p> <p style="text-align: center;">8 September 2014</p>
<p style="text-align: right;">Title</p>	<p>Former Church Farm Museum Report</p>
<p style="text-align: right;">Report of</p>	<p>Deputy Chief Operating Officer</p>
<p style="text-align: right;">Wards</p>	<p>Hendon</p>
<p style="text-align: right;">Date added to Forward Plan</p>	<p>16 June 2014</p>
<p style="text-align: right;">Status</p>	<p>Public (with accompanying Exempt Report)</p>
<p style="text-align: right;">Enclosures</p>	<p>Appendix 1 – Plan No 24323</p>
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<h2>Summary</h2>
<p>The former Church Farm property has been vacant since the museum service terminated on the 22 June 2012 (following the CRC approval 28 July 2011). The property was marketed and following a CRC decision in 18 April 2013 resulted in approval to let the demise to Middlesex University (MU) for a term of four years. Further to the approval to occupy further surveys resulted in the cost of the work to occupy the building significantly increasing. The Council has reassessed the options and put forward the preferred solution which allows for a slightly longer lease term of six years and 364 days and an increased contribution from MU to the cost of the investment in this Grade II* listed building which will be subject to planning permission for educational meeting room use. At the end of the lease the Council will be able to reconsider the future of this refurbished building which will offer better letting and disposal opportunities.</p> <p>The property continues to attract strong local interest which include regular enquiries and maintenance demands. The property is being monitored by English Heritage (EH) due to the special historic status, and is subject to regular site inspection work where repairs are</p>

identified. EH are in support of the proposal to work with MU in order that the building is refurbished and whilst they are satisfied that the building will be refurbished it has been recorded as 'vulnerable' on the Heritage at Risk database albeit currently does not meet the criteria for inclusion on the published Register. English Heritage will be reviewing the situation in December 2014 especially if the building is still empty and there are important repairs that need to be undertaken, and then further statutory action may be taken.

Recommendation

- 1. That the Committee approve the grant of a 6 year and 364 day lease for the former Church Farm Museum to Middlesex University and a contribution towards to the investment in the regeneration of the building.**
- 2. That the Committee approve a contribution £280,000 as part of the cost towards the refurbishment of the property. Full commercial details of the arrangement are in the exempt report.**

1. WHY THIS REPORT IS NEEDED

- 1.1 To enable the regeneration of an important Heritage Asset that has fallen into disrepair. Further to the approval to lease the property in April 2013 Middlesex University (MU) undertook specialist surveys needed for this Grade II* listed building to identify the work that would be needed before they could occupy the building. These surveys identified a significant increase in the cost of the works. These costs were submitted to the Council who have independently assessed the work and agree that the work is necessary before the building can be fully functional. The extra cost has necessitated a different investment and lease arrangement.
- 1.2 To put a vacant property asset into a building compliant condition.
- 1.3 To enable occupation and better use of a property asset.
- 1.4 To protect an important Heritage property asset.

2. REASONS FOR RECOMMENDATION

- 2.1 This property was closed and has been vacant since June 2012. It was put up for sale on the open market from January to May 2012, only 3 bids were received which were presented to the Cabinet Resources Committee meeting in April 2013. The recommendation was made and approved to enter into an arrangement with MU. MU agreed to undergo the work to put the building back into good condition with a four year rent free letting period. The estimated value of the work at this time is in the exempt report.

- 2.2 After approval was given MU were able to undertake intrusive specialist building condition surveys. These surveys showed that the arrangements agreed with MU were not financially sustainable given the amount of investment they would have to make.
- 2.3 Further negotiations took place between MU and the Council until an agreement could be reached on an arrangement that is financially acceptable to both parties.
- 2.4 Due to the amount of extra work that is needed to return the property to a good and compliant condition, it has been established that the best value for money is for the Council to contribute £280,000 to the total cost of the building repairs. In return for their investment MU will receive a 6 year and 364 day lease rent free.
- 2.5 This will allow the Council to work with a partner organisation with a good reputation for handling this type of specialist building in this locality. MU will pay the building and maintenance costs for the grounds in consultation with the Council on the basis that they are still available to the public. MU will use the building for educational meeting rooms and the arrangement also includes the building is made available for community use from Monday to Friday evenings from 7 pm and Saturday and Sunday from 9 am and this will be incorporated into the lease agreement.
- 2.6 This partnership arrangement and cost contribution represents best value for money. The building is being put into a useable and compliant state, and will provide wider service benefits in the short and longer term. Commercial and financial options are reported in the exempt paper.

3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED

- 3.1 The Council does not contribute to the cost but grants a longer lease, potentially 23 years, to MU on a rent free basis which allows them to spread the full costs of the repairs over the term granted. This is not the best commercial arrangement. See the associated exempt report for Net Value assessment.
- 3.2 The Council carries out the work bearing the full cost and associated risk taking into consideration the lack of expertise in this type of building works, leasing the building to MU or other interested parties at completion of the work. This is not the best commercial arrangement. See exempt report for assessment.

- 3.3 The Council dispose of the property. Previous experience from the marketing campaign resulted in non-viable bids due to planning challenges which could leave the property vulnerable and empty over a long period of time. See previous Cabinet Resources Committee report April 2013.

4. POST DECISION IMPLEMENTATION

- 4.1 The lease documentation will be amended and completed to reflect the longer term.
- 4.2 A works licence to be granted to MU to enable immediate access to the building and transfer security and grounds maintenance obligations in line with terms agreed.
- 4.3 Project Management is put in place to monitor expenditure reporting from MU.

5. IMPLICATIONS OF DECISION

5.1 Corporate Priorities and Performance

- 5.1.1 The Corporate Plan 2013-16 has a strategic objective to “promote responsible growth, development and success across the Borough”
- 5.1.2 The Council’s Estates Strategy 2011 – 2015 set out our commitment to continually review the use of Council Assets so as to reduce the cost of accommodation year on year.

5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT, Property, Sustainability)

- 5.2.1 Following the acceptance of the Council’s proposal there is a financial contribution to the building work the details are set out in the exempt report.

5.3 Legal and Constitutional References

- 5.3.1 Local authorities are given powers under Section 123(1) of the Local Government Act 1972 (as amended) to dispose of land held by them in any manner they wish. The only constraint is that, except with the consent of the Secretary of State, a council cannot dispose of land, other than for the grant of a term not exceeding seven years, for a consideration less than best that can reasonably be obtained. As the term of the proposed lease is six years 364 days, the Council may accept a consideration less than the best obtainable.
- 5.3.2 Council Constitution, Responsibility for Functions – sets out the terms of reference of the Assets, Regeneration and Growth Committee which includes “Asset Management – all matters relating to land and buildings owned, rented or proposed to be acquired or disposed of by the Council”
- 5.3.3 Council Constitution, The Management of Asset, Property and Land Rules,

Appendix 2, Table B sets out the acceptance thresholds which provides authority for the action. Financial arrangements in excess of £100,000 must be approved by Assets, Regeneration and Growth Committee.

5.4 Risk Management

5.4.1 There is a risk that costs could increase. LBB will be contributing towards the cost of the refurbishment work with MU paying the remainder for a rent free lease period. LBB will work closely with MU to ensure that the work is completed and there is close management control.

5.4.2 The property remains vacant and there is further building deterioration and would result in further Council action to enforce proper protective management at an unknown cost. This recommendation would mitigate this risk.

5.5 Equalities and Diversity

5.5.1 Under the 2010 Equality Act, the Council must have due regard to the need to: a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act: b) advance equality of opportunity between those with a protected characteristic and those without; c) promote good relations between those with a protected characteristic and those without. The 'protected characteristics' referred to are: age; disability; gender reassignment; pregnancy and maternity; race; religion and belief; sex; sexual orientation. It also covers marriage and civil partnership with regards to eliminating discrimination.

5.5.2 The proposal does not raise any issues under the Council's Equalities Policy and does not have a bearing on the Council's ability to demonstrate that it has paid due regard to equalities as required by the legislation. No immediate equality impacts are anticipated as a result of this proposal.

5.6 Consultation and Engagement

5.6.1 None.

6. BACKGROUND PAPERS

- 6.1 Cabinet Resources Committee 28 July 2011 – (Decision Item 7) – resolved: (1) That the Council’s freehold interest in Church Farm House Museum be declared surplus to its requirements; (2) That the disposal of the freehold interest be advertised on the open market to seek details of proposed schemes and initial bids; and (3) That the appraisal and results of the open market testing be reported to a further meeting of the Cabinet Resources Committee for further consideration:
<http://barnet.moderngov.co.uk/CeListDocuments.aspx?Committeeld=151&MeetingId=455&DF=28%2f07%2f2011&Ver=2>
- 6.2 Cabinet Resources Committee 18th April 2013 – (Decision) – resolved: To grant a lease of the former Church Farm House Museum to Middlesex University Higher Education Corporation on terms set out:
<http://barnet.moderngov.co.uk/ieListDocuments.aspx?CId=151&MId=6759&Ver=4>