

RECORD OF DECISION MADE UNDER DELEGATED AUTHORITY

PART 1 – PUBLIC DOCUMENT

Any interest to declare/or conflict and any dispensation granted: not applicable.

SERVICE DIRECTORATE: Commercial

1. DECISION TAKEN

- 1.1 To approve surrender of North Hertfordshire District Council's (NHDC's) leasehold interest in Town Lodge at Gernon Road, Letchworth Garden City.
- 1.2 To approve disposal of NHDC's freehold interest in the document centre, store building and No.29 (bungalow) at Gernon Road, Letchworth Garden City.
- 1.3 To facilitate a joint disposal of NHDC's property interests with the adjoining property interests of Letchworth Garden City Heritage Foundation (LGCHF).

2. DECISION TAKER

Anthony Roche, Deputy Chief Executive of NHDC.

3. DATE DECISION TAKEN:

23rd April 2019.

4. REASON FOR DECISION

- 4.1 To release surplus property to raise a capital receipt.
- 4.2 To help regenerate Letchworth town centre.
- 4.3 To work with LGCHF to maximise the reuse of a mixed ownership site.

5. ALTERNATIVE OPTIONS CONSIDERED

5.1 Development or Disposal not in conjunction with LGCHF

This would be possible but due to the fragmented ownership between the two property owners of NHDC and LGCHF this could result in inefficient reuse of assets and less attractive design and site layout for any resulting new development.

5.2 Retaining the existing buildings

The buildings are outdated and afflicted by obsolescence. All would require repairs and refurbishment before they could be let. Given the short period remaining on the lease of Town Lodge of approximately 3 years, it is unlikely that reuse will be possible by NHDC other than for temporary storage. The bungalow at 29 Gernon Road could be transferred to NHDC's property company for residential letting but is in need of extensive repair and refurbishment to effect letting.

6. CONSULTATION (INCLUDING THE EFFECT ON STAKEHOLDERS, PARTNERS AND THE PUBLIC)

6.1 Letchworth South West Councillors were consulted about the proposal prior to the Cabinet meeting of 25th September 2018. No objections were raised.

6.2 The Executive Member for Finance and IT has been consulted and supports the proposal. In accordance with the Cabinet resolution of 25th September 2018 (see section 7.1 below) the Service Directors of Resources and Commercial have also been consulted and support the proposal.

7. RELEVANT CONSIDERATIONS

7.1 A report was presented to Cabinet on 25th September 2018 by the Deputy Chief Executive. Cabinet resolved:

- (1) That the contents of this report and the proposals for the future of the Town Lodge site be noted.*
- (2) That Cabinet supports the principle of the proposed redevelopment and authorises officers to continue negotiations to dispose of the Town Lodge site for the purpose of development and that those negotiations are conducted jointly with Letchworth Garden City Heritage Foundation.*
- (3) That authority be delegated to the Deputy Chief Executive in consultation with the Executive Member for Finance & IT and the Service Director Commercial and the Service Director Resources to negotiate, agree terms and dispose the Town Lodge site.*
- (4) That should residential development proceed on part of the Town Lodge site, including adjoining properties, authority be delegated to the Deputy Chief Executive in consultation with the Executive Member for Finance & IT and the Service Director Commercial to enter into a non-binding option with the developer to purchase the residential property, subject to the value of the option not exceeding Cabinet's limit of £2.5m.*
- (5) That Cabinet notes that the decision on whether or not to exercise the option at 2.3 will be subject to completion of a business case and further decision in due course.*

7.2 Joint negotiations between NHDC and LGCHF with the prospective purchaser have advanced significantly since September's Cabinet meeting. Legal documentation has been drafted and agreed (subject to contract) for disposal of the Town Lodge and adjacent sites for the purpose of redevelopment.

Conclusion

7.3 In conclusion, a full appraisal of the provisional joint disposal and surrounding details illustrate the net price offered to NHDC reflects best financial consideration for NHDC. The wider regenerative benefits of the disposal for Letchworth Garden City town centre also help secure best social and economic consideration. Most notably, the proposed residential block will provide additional housing, whilst both this and the office block will inject a new source of potential custom for town centre shops and businesses.

8. LEGAL IMPLICATIONS

8.1 Town Lodge and adjacent sites were declared as surplus by Cabinet on 22nd March 2011.

8.2 Part 2 discussion at Cabinet on 25th September 2018 resolved the following:

8.2.1 That authority be delegated to the Deputy Chief Executive in consultation with the Executive Member for Finance & IT and the Service Director Commercial and the Service Director Resources to negotiate, agree terms and dispose the Town Lodge site.

8.2.2 That should residential development proceed on part of the Town Lodge site, including adjoining properties, authority be delegated to the Deputy Chief Executive in consultation with the Executive Member for Finance & IT and the Service Director Commercial to enter into a non-binding option with the developer to purchase the residential property, subject to the value of the option not exceeding Cabinet's limit of £2.5m.

9. FINANCIAL IMPLICATIONS

9.1 The disposal will produce a capital receipt for NHDC to assist in funding NHDC's capital investment programme.

10. RISK IMPLICATIONS

10.1 The potential risk of planning consent for any redevelopment being withheld.

10.2 The sale of assets reduces the risk to NHDC arising from the duties under the Occupiers Liability Act 1957 and 1984.

11. EQUALITIES IMPLICATIONS

11.1 In line with the Public Sector Equality Duty, public bodies must, in the exercise of their functions, give due regard to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

11.2 There are no direct equalities implications regarding disposal of NHDC's existing property that is surplus to NHDC requirements.

12. SOCIAL VALUE IMPLICATIONS

12.1 The Social Value Act and "go local" policy do not apply to this decision.

13. HUMAN RESOURCE IMPLICATIONS

13.1 There are no Human Resource implications from this report other than the consideration that NHDC staff using the document centre need to be moved out, which was factored into the review of the print service.

14. BACKGROUND PAPERS

14.1 As per report presented to Cabinet on 25th September 2018.

15. NOTIFICATION DATE

25th April 2019.