

BIRMINGHAM CITY COUNCIL

PUBLIC REPORT

Report to:	CABINET
Report of:	Corporate Director, Economy
Date of Decision:	31st July 2018
SUBJECT:	SECURING THE LONG TERM FUTURE FOR SUTTON COLDFIELD TOWN HALL
Key Decision:	Yes
If not in the Forward Plan: (please "X" box)	Relevant Forward Plan Ref: 005195/2018
Relevant Cabinet Member	Chief Executive approved
Relevant O&S Chair:	O&S Chair approved
Wards affected:	Councillor Ian Ward – Leader
	Councillor Tahir Ali – Economy and Skills
	Sutton Four Oaks, Sutton Mere Green, Sutton Vesey, Sutton Trinity, Sutton Roughley, Sutton Walmley & Minworth, Sutton Reddicap, Sutton Wylde Green

1. Purpose of report:

- 1.1 To note the surplus declaration and freehold disposal of Sutton Coldfield Town Hall and the intention to conclude solus negotiations with the Royal Sutton Coldfield Community Town Hall Trust (RSCCTHT) for the sale of this asset and the granting of a long lease in the adjacent Tudor Road Recreation Ground so that they can continue to operate the site for community purposes to the benefit of the local community.
- 1.2 The subject properties are shown on the enclosed plan at Appendix 1.
- 1.3 An accompanying private report contains confidential information on the sale.

2. Decision(s) recommended:

That Cabinet :

- 2.1 Approves the surplus declaration of Sutton Coldfield Town Hall, as shown edged black on attached plan at Appendix 1 in the private report.

Lead Contact Officer: Kathryn James

Assistant Director of Property (Interim)
Birmingham Property Services, Economy Directorate

Telephone No: 0121 303 3844

E-mail address: Kathryn.James@birmingham.gov.uk

Lead Contact Officer: Steve Hollingworth

Service Director Sport, Events, Open Space & Wellbeing
Place Directorate

Telephone No: 0121 464 2023

E-mail address: Steve.Hollingworth@birmingham.gov.uk

3. Consultation

3.1 Internal

- 3.1.1 The Leader of the Council, Deputy Leader of the Council and the Corporate Director of Place have been consulted regarding the contents of this report and are fully supportive of the report proceeding to an executive decision.
- 3.1.2 Officers from Legal Services, City Finance, and other relevant officers from the Economy and Place Directorates have been involved in the preparation of this report.
- 3.1.3 The councillors from all Sutton Coldfield wards have been consulted on the public report. The detail of this consultation is set out in Appendix 2 of this report.

3.2 External

- 3.2.1 Sutton Coldfield Town Council, Sutton Coldfield Charitable Trust and Andrew Mitchell M.P. have been consulted on the public report . The detail of this consultation is also set out in Appendix 2 of this report.

4. Compliance Issues:

4.1 Are the recommended decisions consistent with the Council's policies, plans and strategies?

- 4.1.1 The proposal contributes towards the strategic outcomes outlined in the Council Plan and Budget 2018, specifically to help deliver a balanced budget and contribute to the Council's plan to rationalise its property portfolio as part of its asset management programme and contribute to the delivery of the Council's core vision and priorities in the Council's Vision and Forward Plan 2017.

4.2 Financial Implications

(How will decisions be carried out within existing finances and Resources?)

- 4.2.1 Sutton Coldfield Arts & Recreation Trust (SCART) took over the operation of the site in November 2016 which removed the staffing costs element. At present however the responsibility for carrying out repairs and maintenance on the building is still the responsibility for Birmingham City Council. During the Financial Year 2017/18 the net expenditure for Sutton Coldfield Town Hall was £70,000. There is no longer an annual revenue budget assigned to repairs and maintenance of the building so any spend on these items is a pressure on the Place Directorate and has to date been funded through ad hoc savings made in year.
- 4.2.2 The disposal of Sutton Coldfield Town Hall removes the future maintenance liability of the building from the City Council. The most recent condition survey undertaken by Acivico Ltd (May 2017) identified outstanding works estimated in the region of £2.52m, with approximately £2m of this being required by the end of 2021. No specified funding budget exists within the City Council for such capital expenditure.
- 4.2.3 The leasing of the open space will save the Parks service around £770 a year in respect to grounds maintenance.

4.3 Legal Implications

- 4.3.1 The power to acquire, dispose and manage assets in land and property is contained in Sections 120 to 123 of the Local Government Act 1972.

4.4 Public Sector Equality Duty

- 4.4.1 A copy of the Equality Act 2010 – Public Sector Duty statement is appended at Appendix 3. An initial screening has been completed and no adverse impacts have been identified. Cabinet is asked to have due regard to the Equality Assessment attached as Appendix 4.

5. Relevant background/chronology of key events:

- 5.1 Sutton Coldfield Town Hall was constructed in the second part of the 19th Century (originally as a Fire Station) and has been extended at later dates. It directly abuts the Sutton Coldfield Council House that was disposed of by the City Council in 2013 and is currently residential apartments. Both buildings are Grade II listed and share many common architectural features including brick and stone pallets.
- 5.2 The Town Hall has operated as a functions and entertainment business run by the Council for many years and incremental investment has been undertaken including restoration of the clock tower. Sutton Coldfield District Committee had responsibility for the asset and its associated budgets since devolution was implemented from May 2004. The District Committee had a number of savings allocated in 2014/15 as part of the overall budget strategy and were unable to continue to manage the growing budget pressure associated with the operation of Sutton Coldfield Town Hall. In the last full year of operation by Birmingham City Council (2015/16) the annual net expenditure for the site was £146,000.
- 5.3 Sutton Coldfield Arts & Recreation Trust (SCART) who are registered as a charitable incorporated organisation have managed the Town Hall on a Licence to Operate agreement since November 2016; the current licence is due to expire on 31st October 2018. During this time SCART have offered a wide range of Arts and Cultural performances and educational opportunities as well providing a venue for functions. SCART's activities are linked to the service outcomes for the benefit of local residents.
- 5.4 Since SCART's takeover of operations in November 2016 they have maintained all existing bookings at the venue as well as adding significantly to their database of clients. Some of the more notable new business includes 11 wedding bookings for 2018, operating as the box office in 2017 and 2018 for the CBSO concert in Sutton Park and an array of new Theatre show bookings. Both this repeat and new business has meant that during their first year of trading they received over 56,000 visitors compared to 28,000 visitors during the previous year under BCC control.
- 5.5 Sutton Coldfield Town Council together with SCART are keen to ensure an ongoing sustainable future for the Town Hall and have formed the Royal Sutton Coldfield Community Town Hall Trust.

- 5.6 RSCCTHT's core business is initially delivering a wider range of community facilities and ensuring that Sutton Coldfield Town Hall has higher occupation levels all year round. This is to be achieved by investment in marketing, facilities, the building itself and improving the flexibility of the asset. The RSCCTHT will be a registered charity and as such benefit from the mandatory relief of Business Rates, exemptions from some tax liabilities and the added value of Gift Aid on donations. It becomes eligible for a wide range of grants from charitable foundations as well as the Heritage Lottery Fund, all things which are not possible for BCC. By working with a network of volunteers and support organisations including a strong existing user group. A more commercial management approach, and targeted team structure will improve revenues and efficiencies across the organisation.
- 5.7 The freehold disposal of Sutton Coldfield Town Hall will allow RSCCTHT a free hand to continue to grow their customer base, further attract new business and address the buildings considerable repairs and maintenance requirements. Funding they will be able to tap into as a charitable organisation would previously not have been available to Birmingham City Council.
- 5.8 The additional land at the rear of the Town Hall, to be held on a lease, will be utilised primarily to provide an outdoor area for holding weddings and the associated photographs and will further solidify the building as a key venue for hosting events of this nature in the area.
- 5.9 This scenario reflects the 'green paper' on localisation and community governance agreed by Cabinet in March 2017 and the recommendations made by Overview & Scrutiny in their 2017 report. Both reports emphasised the Council should actively improve its operational engagement with the Town Council, working to ensure that the Council's approach is an exemplar as a potential local 'devo deal' and begin to extend and mature the Council's approach to community governance in other areas of the city throughout 2018-19 following community consultation over the summer.

6. Evaluation of alternative option(s):

- 6.1 The City Council could reconsider operating the site directly itself. However, operating costs for the last full financial year that it was under direct City Council control (2015/16) were £146k for which the City no longer has provision.
- 6.2 The City Council could continue to operate the facility remotely via a commissioned third party. The Council however does not have charitable status and as such would not be able to receive rate relief or access the same grant funding streams that a charitable organisation can.
- 6.3 The City Council could opt to close or mothball the facility. However the facility and its services would be lost to the local community, a number of residual costs would remain and the fabric of the building would deteriorate.
- 6.4 An agreement to transfer the freehold of the Town Hall and the land at the rear of the building on a long term lease as identified in Appendix 1 to Royal Sutton Coldfield Community Town Hall Trust will ensure that people living in the area will benefit from a community resource being retained without an ongoing financial burden on the Council.

7. Reasons for Decision(s):

7.1 To seek declare the property surplus to the requirements of Birmingham City Council.

Signatures

Date

Councillor Ian Ward – Leader of the Council

Waheed Nazir – Corporate Director, Economy

List of Background Documents used to compile this Report:

Executive report (Deputy Leader jointly with the Strategic Director of Place) titled “Proposed Future Management of Sutton Coldfield Town Hall” dated 11th October 2016

List of Appendices accompanying this Report (if any):

Appendix 1 – Site plan for Sutton Coldfield Town Hall and Tudor Road Recreation Ground

Appendix 2 – Ward Member Consultation Record

Appendix 3 - Equality Assessment statement

Appendix 4 – Equality Assessment

Report Version Final

Dated 17/07/2018