

Report to:	TRUSTS AND CHARITIES COMMITTEE
Report of: Date of Decision:	Director of Property 20th July 2016
SUBJECT:	CROPWOOD ESTATE – DISPOSAL OF FORMER CARETAKERS COTTAGE, SPIREHOUSE LANE
Wards affected:	Outside of the City Boundaries

1. Purpose of report:

- 1.1 To seek approval to dispose of the property forming part of the Cropwood Estate and formerly used by the Hunters Hill School as the caretakers cottage.

2. Decisions recommended:

That the Committee recommends that

- 2.1 the freehold interest of the land identified in Appendix 1 be disposed of
- 2.2 the recommendation of the Trusts and Charities Committee to be advanced to the next available meeting of the Council as Trustee for approval once it is declared surplus to their requirements by Education Infrastructure officers
- 2.3 approval be given to the terms of any disposal being delegated to the Director of Property who will work with external agents to secure appropriate valuation advice to comply with statutory requirements of the Charities Act 2011
- 2.4 authorises the City Solicitor to negotiate, seal, execute and complete all legal documentation to give effect to the above recommendations.

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3. Compliance:

3.1 Consultations:

The Cropwood Estate (registered Charity no. 1085296) has been used since the original gift for schools purposes. The Hunters Hill School have advised that the former Caretakers Cottage has been vacant for some years. During that time the School has investigated options for reuse and conversion to a teaching base and for a pupil garden/allotment growing area but have accepted this is not sustainable and have advised that it can be declared surplus to their requirements.

Officers in Education are reviewing matters but are likely to declare this property surplus allowing for it to be disposed of.

Public consultation is not required but may be undertaken.

3.2 Are there any relevant legal powers, personnel, equalities, procurement, regeneration and other relevant implications?

The City Council acts as Sole Corporate Trustee for a number of charitable and non-charitable Trusts and has delegated day to day decision making to the Trusts and Charities Committee. Charitable trust activity is regulated by the Charity Commission and any proposals relating to the estate will be governed by the Trust document as amended by any Scheme approved by the Charity Commission.

The Cropwood Estate Trust holds the freehold interest of the land held in trust as Sole Trustee and is responsible for ensuring the Trust is managed in accordance with the governing document and in accordance with charity law and relevant Charity Commission guidance.

The Trustees of the Charity could rely on the provisions of the Section 6(1) Trusts of Land and Appointment of Trustee Act 1996 which provides an implied statutory power of disposal. However, the Charity Commission Scheme dated 12th November 1997, establishing the regulation of the Charity also provides appropriate powers for the disposal of assets by sale or for lease. It requires that all such disposals be conducted in line with statutory processes set out in the Charities Acts and that the proceeds of any sale be invested in trust for the Charity.

3.3 How will decisions be carried out within existing finances and resources?

The Committee has responsibility for ensuring the proper governance of the Trust in accordance with the objects of the trust and charity law. Any disposal of the land, if approved, will be undertaken by officers in Legal Services and Birmingham Property Services. The valuation of the asset will have to be undertaken by an external valuer as required under the Charities Act 2011 and the fee for this will be reclaimed from any capital receipt.

Running costs for the Cottage is currently being picked up by Education Infrastructure. Disposal will mean there is no continuing cost to the Trust or to Birmingham City Council.

3.4 Main Risk Management and Equality Impact Assessment Issues (if any):

The Cropwood trust is empowered to undertake sales of land and property on the Estate subject to the appropriate investment of the capital receipt. The disposal will remove a building at risk of vandalism etc. Disposals of parts of the estate have already been made in 1994 and 1998.

4. Relevant background/chronology of key events:

- 4.1 The main area of land comprising the Cropwood Estate was gifted to the City by Barrow Cadbury and Mrs Geraldine S Cadbury on 1st June 1921 with further parcels gifted by Barrow Cadbury on 28th February 1933 and again on 20th May 1938 and is approximately 35 hectares. The trust is governed by a scheme dated 12th November 1997.
- 4.2 The specific objects of the Cropwood Estate trust are wide ranging and are: the furtherance of any charitable purpose for the benefit of the inhabitants of the City of Birmingham including all or any of the following purposes (a) the provision and support of educational facilities (b) the provision and support of facilities for recreational and other leisure time occupation with the object of improving the conditions of life for the said inhabitants (c) the relief of the aged, impotent and poor (d) the relief of sickness.
- 4.3 While originally for Outdoor School for the improvement of the health of children from Birmingham the trust land is principally used by the Hunters Hill School. Land not directly used by the school is let on an agricultural tenancy.
- 4.4 The proposal to dispose is necessary as the land can no longer effectively assist the delivery of the Objects from the Schools perspective and cannot easily be managed by officers in Education. The objects of the charity are very wide ranging and therefore could be met otherwise by other users but a proposal to dispose would enable the property to be brought back into use by others quickly at no cost to the charity but delivering a capital receipt. Any disposal would be required to be at the full market value of the asset as assessed by an independent qualified valuer. Any capital receipt will accrue to trust funds and interest would be used to further the Objects.
- 2.5 If disposal is judged to be in the best interests of the charity the preference is to sell the freehold interest as the property is detached from the school and BCC/Trust responsibilities are fully brought to an end but alternative means of disposal such as a long lease will also be considered.

5. Evaluation of alternative option:

To do nothing is not an appropriate option as the building will remain at risk. Similar decisions to dispose of property from other trusts has more recently proposed that properties be improved and re-let to provide income to the Trust above what might be anticipated from current investment opportunities. This is an option but the recommendation is to sell based on current unimproved condition of the property, the anticipated cost of renovation and for fees for planning and other permissions together with the time required to develop any scheme for improvement/extension during which the building would remain at risk and against the general funds available within the Cropwood estate.

Signatures:

Chief Officer(s):

Dated:

List of Background Documents used to compile this Report:

1. Scheme of Powers from the Charity Commission dated 12th November 1997

List of Appendices accompanying this Report (if any):

1. Plan of the boundaries of land included in the disposal.

