

WISBECH CASTLE: TO CONSIDER A DISPOSAL (BY WAY OF THE GRANT OF A LONG LEASE) TO WISBECH TOWN COUNCIL AT LESS THAN BEST CONSIDERATION

To: **Commercial & Investments Committee**

Meeting Date: **28 July 2017**

From: **Deputy Chief Executive & Chief Finance Officer**

Electoral division(s): **Wisbech East; Wisbech West; Roman Bank & Peckover**

Forward Plan ref: **N/a** *Key decision:* **No**

Purpose: **To consider Wisbech Town Council's business case for taking a minimum of a 30 year lease of Wisbech Castle on a peppercorn rent and their request for a 25 year loan of £150,000 to carry out necessary repairs and improvements.**

Recommendation: **It is recommended that the Committee:-**

- a) Agrees whether to lease Wisbech Castle to Wisbech Town Council at less than best consideration or not and;**
- b) Subject to the decision at a) determines the tenure length of that lease and;**
- c) Delegates the agreement of the final Heads of Term to the Deputy Chief Executive in consultation with the Chairman of the Committee.**

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1. BACKGROUND

- 1.1 Wisbech Castle is a historically very important building and site and today comprises a Regency House and garden of 0.25ha situated in The Crescent in Wisbech. It is Grade II* listed and is thus in the top 7% of historic buildings in the country. It is a key part of the Wisbech Conservation Area and is in close proximity to Wisbech Library and Wisbech Museum. The area is now being promoted as a new cultural quarter.
- 1.2 In 2016 the use of Wisbech Castle as a Professional Development Centre ceased and the building was relinquished by CFA. No further use for the building was identified at that time and therefore the building was declared surplus to requirements.
- 1.3 In October 2016, the Castle was designated as an Asset of Community Value by Fenland District Council. This does not prevent the Council from selling the building but the community must be offered an opportunity to bid for it.
- 1.4 Expressions of interest were sought from the community and three were received. After consideration by Assets and Investment Committee Wisbech Town Council were given a four month timeframe to develop a business case for the Committee to consider.

2. MAIN ISSUES

- 2.1 Wisbech Castle is being managed in the interim by Property Guardians CIC “Dot Dot Dot” thus relieving the County of day to day running costs but not repairs.
- 2.2 Day to day running costs such as utilities, insurance, security and basic maintenance were costing the Council approximately £14,000pa. In addition, a recent condition survey carried out by the County Council identified necessary repairs and upgrading to the value of between £150k-£250k.
- 2.3 Officers have undertaken a review to ascertain whether there are any significant viable business activities for which the Castle could be used by the County Council. The conclusion was that any activities would need to be heavily subsidised as they would not generate enough income to be sustainable and meet running costs. The findings are attached as **Appendix 2**.
- 2.4 Wisbech Town Council’s proposed Business Plan is attached as **Appendix 1** and is based on the County Council leasing the Castle to the Town Council at a peppercorn rent and loaning funds for the repair costs, to be repaid at a fixed rate of interest as determined by PWLB rates at the time of drawing down the loan.
- 2.5 The benefits of this proposal to the County Council are:
 - Revenue savings as the running costs of the building would be borne by the Town Council;
 - Not having to invest in necessary capital works to undertake repairs and improvements to ensure the long term preservation and use of this listed building.
 - The preservation of a Grade II* listed building that had been gifted to the County Council for educational and community use for the benefit of the town and the local community.
 - Retention of the ownership of the building, which could be sold at a later time for a

capital receipt.

- 2.6 The potential disadvantages of this proposal to the County Council are:
- If the Town Council is unable to realise its projected income streams it might want to terminate the lease. Such financial difficulties could also lead to further deterioration of the fabric of this important historic building or the Town Council's defaulting on the loan. The Town Council would not be permitted to sell the lease to another party unless this is specified as allowable in the terms and conditions.
 - Unforeseen repairs or costs that go beyond the Town Council's affordability threshold, again with potential consequences for the condition of the building or requiring financial input from the County as landlord.
 - No capital receipt at this point.
- 2.7 The alternative to accepting the Town Council's proposal will be a freehold disposal on the open market. It is not certain whether the Town Council would be willing or able to purchase the freehold.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

If the Town Council's proposal is accepted this would support local businesses and generate local income.

3.2 Helping people live healthy and independent lives

There are no significant implications for this priority.

3.3 Supporting and protecting vulnerable people

There are no significant implications for this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

The report above sets out details of significant implications in sections 2.4 and 2.5.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

4.3 Statutory, Legal and Risk Implications

There is a reputational risk to the County if the Town Council's proposal is declined and the building is sold as a private dwelling. This arises from the fact that the building was gifted to the Council by a former Chief Education Officer's widow and it could be perceived that the Council is going against the wishes of the benefactor.

4.4 Equality and Diversity Implications

There are no significant implications within this category although it is possible that improvements to accessibility might be considered when making alterations.

4.5 Engagement and Communications Implications

This report and associated business case have been produced after communications with the local community.

4.6 Localism and Local Member Involvement

The development of the business case to be considered has been led by the local County Councillor, in conjunction with the local Town Council. If accepted, the local community would have a greater say and involvement in the use and upgrading of the building.

4.7 Public Health Implications

There are no significant implications within this category.

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by Finance?	Yes Name of Financial Officer: Chris Malyon
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer:
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: Chris Malyon
Have any engagement and communication implications been cleared by Communications?	Yes or No Name of Officer:
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Name of Officer: Chris Malyon
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Tess Campbell

SOURCE DOCUMENTS

Source Documents	Location
Previous reports were confidential.	