

Cabinet 15 December 2021	 TOWER HAMLETS
Report of: Ann Sutcliffe, Corporate Director, Place	Classification: Partly Exempt (Appendix 2)
Letting of Bromley Public Hall	

Lead Member	Councillor Bustin, Cabinet Member for Social Inclusion – (Job Share post as part of Social Inclusion and Public Realm portfolio)
Originating Officer(s)	Stephen Shapiro, Head of Asset Management
Wards affected	Bromley North
Key Decision?	Yes
Forward Plan Notice Published	16 November 2021
Reason for Key Decision	Financial Threshold
Strategic Plan Priority / Outcome	1. People are aspirational, independent and have equal access to opportunities; 2. A borough that our residents are proud of and love to live in; 3. A dynamic outcomes-based Council using digital innovation and partnership working to respond to the changing needs of our borough.

Executive Summary

As part of the relocation of the Registrar Services to St Georges Town Hall, the Grade II Listed Bromley Public Hall is now surplus to requirements. In order to avoid ongoing security and maintenance costs, the decision has been made to let the property.

The Place Scheme of Delegation requires lettings achieving over £100,000 to be taken to Cabinet, and delegated authority is sought for the Director of Place to authorise any letting

Recommendations:

The Cabinet is recommended to:

1. Grant the Corporate Director of Place delegated authority to conclude

the letting of Bromley Public Hall after advising the Mayor and Lead Member.

1 REASONS FOR THE DECISIONS

- 1.1 Under the Council constitution, we are required to seek authority for entering a tenancy with an annual rent in excess of £100,000 per annum. From the current levels of interest from applicants when wanting to take the whole of Bromley Public Hall, this level will be breached.

2 ALTERNATIVE OPTIONS

- 2.1 **Continued Use by the Council** – the decision to close the site was initially made at Cabinet on 29 January 2020, where it was discussed under agenda item 6.5 - The Council's 2020-21 Budget Report and Medium Term Financial Strategy 2020-23. It was then ratified by Council on 19 February 2020.
- 2.2 During this period no other part of the Council expressed an interest in using the building for their use.
- 2.3 **Letting in two parts** – the building was advertised on the basis that we would consider a letting on the whole or in part. The preference was to let to a single tenant, but consideration would be given to two separate organisations taking space.
- 2.4 This would result in more intensive management of the building, including the splitting of services, as well as the requirement to have a manned reception desk, at the cost to the Council. However, each letting would be under the Delegated Authority threshold.

3 DETAILS OF THE REPORT

- 3.1 At Cabinet on 29 January 2020, under agenda item 6.5 the Council's 2020-2021 Budget Report and Medium Term Financial Strategy 2020-2023 was discussed including the proposal to make savings by relocating the Registrar services to St Georges Town Hall. As part of this the existing site of Bromley Public Hall would be surplus to requirements and in order to make savings it would be disposed of.
- 3.2 We have instructed agents to market the building, and they have had strong levels of interest, including offers in excess of £100,000, which takes this disposal out-with the Place Scheme of Delegation.
- 3.3 Terms have yet to be agreed with any of the applicants, but in order to avoid delays once an applicant has been secured, delegated authority is requested for the Corporate Director of Place. By securing this early in the process, rather than once a potential tenant has been secured, it will reduce the length

of time that the Council will be responsible for the costs of security, maintenance and other outgoings.

- 3.4 With the building being Grade II Listed, the operational costs and therefore holding costs when vacant, are generally higher than for a non-listed building

4 EQUALITIES IMPLICATIONS

- 4.1 No equalities implications have been identified.

5 OTHER STATUTORY IMPLICATIONS

- 5.1 This section of the report is used to highlight further specific statutory implications that are either not covered in the main body of the report or are required to be highlighted to ensure decision makers give them proper consideration. Examples of other implications may be:

- Best Value Implications,
- Consultations,
- Environmental (including air quality),
- Risk Management,
- Crime Reduction,
- Safeguarding.
- Data Protection / Privacy Impact Assessment.

5.2 Best Value

The rental income generated from the letting of Bromley Public Hall will be able to support the Council's other priorities

5.3 Best Consideration

This transaction needs to satisfy Sec 123 of the Local Government Act 1972. The rental value is being established by full market testing of at least 8 weeks, under a competitive basis. The Council also understands that Best Consideration, is not only best price, but the nature of the proposals and wider implications to the Borough will also be factored in.

6 COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The report is seeking delegated authority to conclude the letting of Bromley Public Hall which is now deemed surplus to requirements.

- 6.2 The asset is being let to prevent the Council incurring void costs whilst the property is vacant and to generate a rental stream, expected to be in excess of £100k per annum.

- 6.3 Bromley Public Hall is a general fund asset and the rental payments will contribute towards the delivery of an existing savings target of £1m predicated on making better use of Council owned assets.

7 COMMENTS OF LEGAL SERVICES

- 7.1 The general power of disposal is section 123 of the Local Government Act 1972 which gives the Council the power to dispose of land held by it in any manner it wishes provided that the local authority achieves the best consideration that can reasonably be obtained except where the disposal is for a short tenancy (i.e. a term not exceeding seven years) or where the Council has the consent of the Secretary of State.
- 7.2 Case law has shown that the consideration which a local authority receives in order to achieve best consideration must have an economic or monetary value. There is no particular process to be followed but there does need to be evidence to show that best consideration has been assessed and is being achieved, for example, through independent valuations or market sale.
- 7.3 The Secretary of State have issued a general consent for disposals of land under section 123 for less than best consideration. This allows a local authority to dispose of land for less than best consideration if it considers that the disposal will contribute to the promotion or improvement of the economic, social or environmental well-being of its area and the extent of the undervalue is no more than the sum prescribed in the consent.
-

Linked Reports, Appendices and Background Documents

Linked Report

- Cabinet: [Tower Hamlets Council - Agenda for Cabinet on Wednesday, 29th January, 2020, 5.30 p.m.](#)
- Council: [Tower Hamlets Council - Agenda for Council on Wednesday, 19th February, 2020, 7.00 p.m.](#)

Appendices

- Appendix 1 – Marketing Brochure
- Appendix 2 – Additional Letting Information (Exempt)

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- NONE.

Officer contact details for documents:

N/A