



Report title: Consideration of options for the future of Cleckheaton Town Hall

Meeting	Cabinet
Date	10 th December 2024
Cabinet Members	Cllr Graham Turner – Finance and Regeneration
Key Decision Eligible for Call In	Yes Yes

Purpose of Report

This report consolidates background information and presents a range of options to inform decision-making regarding the future of Cleckheaton Town Hall (CTH).

Given the financial challenges faced by the Council in relation to its revenue and capital budgets, and the current physical condition of the building, this report presents several options for consideration regarding the future of CTH. The main options include:

- Option 1 - Do nothing and keep the site closed in its current mothballed state.
- Option 2 - Reopen with limited refurbishment for H&S works, with other works in future years.
- Option 3 - Reopen following a full refurbishment of the building.
- Option 4 – Permanent closure and disposal of the building/site.
- Option 5 – Community management via a full repair and insurance lease following agreement of a revenue and capital investment business case.

The recommended option is Option 5: the exploration of a management agreement whereby a successful community group manages the building and covers the revenue running costs under a full repair and insurance lease, following the provision of a business plan outlining how revenue running costs and capital investment into CTH could be secured through external sources.

This recommendation is based on several critical factors:

- the need for the Council to reduce its long term revenue costs due to the financial constraints it is facing;
- the need to restrict capital expenditure as the Council's Capital Plan is under severe strain and any additional borrowing requires additional revenue support to be identified;
- an acknowledgement that CTH is an important asset from the community's perspective and therefore an opportunity is being given for the community to demonstrate its commitment to this building by actively becoming responsible for its day to day operation and revenue costs.

Background

In July 2022 a piece of plaster fell from the ceiling above the stage at CTH, leading to the area being closed off to enable investigative works to be undertaken. Due to the specialist nature of the surveys and the need for scaffolding to be erected, the investigations occurred in early 2023. These subsequently revealed the potential for plaster failure across the whole main hall, leading to the closure of the main hall in Spring 2023 as a full scaffold would need to be erected to determine the extent of the plaster issues and the remedy required. Ward Councillors were informed of the extended closure of the main hall and the cancellation of events / bookings as a result.

In September 2023, a cabinet report on the future of Town Halls stated that CTH would remain closed and mothballed to allow a full assessment of the building's condition. As a consequence, all remaining bookings moved to alternative venues – mainly Batley Town Hall and Gomersal Public Hall and office accommodation usage was relocated to Batley Town Hall. CTH was placed in a partial mothballed state, with heating and power retained to ensure that the building does not deteriorate and to maintain security.

During the course of 2023 and early 2024, a full appraisal of the condition of CTH using a mixture of internal technical officers and external specialist contractors was undertaken, with the subsequent report issued in summer 2024. This identified multiple issues with regards to the condition of CTH and estimated that a full refurbishment of the building to give the town hall an extended period of life would cost £7.183m. A detailed summary of the condition report can be found at **Appendix A**.

CTH remains closed and mothballed pending a decision from Cabinet.

Recommendations

Cabinet is asked to:

- Consider the detailed options outlined in the tables in the Executive Summary (Section 2) of this report which present a range of potential approaches for the future of Cleckheaton Town Hall. The different capital and revenue implications of each option should be noted, as should the condition information contained in **Appendix A** and the development appraisal attached in the private **Appendix B**.
- Approve the recommendation of **option 5** which seeks to engage the community in the day to day management, running and operation of Cleckheaton Town Hall through a full repair and insurance lease which commits the successful community group to covering the revenue operational costs of the building, and also asks the group to identify a capital investment plan with appropriate sources of funding. Ownership would remain with the Council;
- Delegate to the Executive Director of Place, in consultation with the Portfolio Holder for Regeneration and Finance, the Service Director for Finance and the Service Director for Legal and Commissioning (Monitoring Officer) the following authority to:
 - Consider and award, if required, a revenue grant in accordance with the Council's Financial Procedure Rules to interested community group(s) to support the development of an appropriate business plan;

- Consider and enable where appropriate interested community group(s) to access support from the Council's partner Locality to develop their application and business case;
- Manage and review progress against the development of a revenue and capital business plan and the timeframes shown below during the three stages of the process - (1) Expression of Interest within one month of the invitation being advertised followed by (2) an application with Business Case within a further three months and (3) preparation of a report to return to Cabinet for consideration of the outcomes of the first two stages within a further two months.
- Ensure adequate provision is in place for all revenue and capital expenditure required to support the successful business plan;
- Negotiate and agree terms of the management agreement and/or full repair and insurance lease and any other documentation required;
- Support the continued retention of the building in a mothballed state during 2025 as necessary to enable the community to bring forward a successful business case for the future operation of the town hall;
- Request that officers are clear in their considerations of any business cases submitted that any potential detrimental impact on other existing council and 3rd sector operated facilities and venues is clearly shown and mitigation identified, if possible, to lessen the impact.
- Note that Officers will return this matter back to Cabinet in line with the stated timescales for further consideration and a decision following receipt of any applications and business cases from group(s) interested in moving forward with Option 5 as described in this report.

Reasons for Recommendations

- The revenue position of the Council – the Council needs to reduce to its long term revenue costs. CTH costs approximately £205K per annum to run and is a building that no longer forms part of the Council's core estate. It is therefore imperative for its future operation that the operational revenue costs of this building are reduced which could be achieved by management by the community.
- The capital position of the Council – the Council's Capital Plan is under significant pressure and needs to be reduced to help the Council maintain a balanced revenue position. A condition survey has identified a need for an investment of £7.183m to refurbish CTH, which is unaffordable in the current financial climate.
- The strength of community concerns regarding the future of CTH as expressed by residents, Ward Councillors and the Local MP would suggest that there is an opportunity to seek an innovative solution to the future management of CTH, which would see the community providing the funds to cover future revenue operational costs as well as seeking capital grants to invest in the building's future.
- It is anticipated that through seeking external revenue and capital grants, fund raising activities and the adoption of a commercial approach to the letting and management of this building, a successful community group could realistically re-open and manage CTH for the future benefit of communities it serves.

Resource Implication:

There is currently no capital allocation in the Council’s Capital Plan for the full or partial refurbishment of CTH. A full refurbishment costing £7.183m is beyond the affordability of the current Capital Plan.

Regarding revenue provision, the existing Corporate Landlord budget for property facilities management will continue to provide revenue funds during 2025/26 as necessary for the mothballed CTH in order to avoid its deterioration and provide security whilst it is closed and awaiting a determination of future management arrangements.

Should revenue grant(s) be made to interested community group(s) to develop a business case, this will be accommodated within the existing Corporate Landlord FM budget. The requested write off of £50K debt for the Town Halls Service will be dealt with through appropriate adjustments to the Treasury Management budget.

Date signed off by Executive Director & name

David Shepherd – Executive Director for PLACE– 02/12/2024

Is it also signed off by the Service Director for Finance?

Kevin Mulvaney – Service Director for Finance / Section 151 Officer – 29/11/2024

Is it also signed off by the Service Director for Legal and Commissioning (Monitoring Officer)?

Samantha Lawton – Service Director for Legal and Commissioning (Monitoring Officer) - 29/11/2024

Electoral wards affected: Cleckheaton

Ward councillors consulted: Yes

Public or private: Public report with a private Appendix B.

The report includes **Appendix B**, which is recommended to be considered in Private. This is because the information contained is considered as exempt under paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006. This appendix contains details relating to the financial or business affairs of any person including the Council. It is deemed that it would not be in the public interest to disclose the information contained in the private appendices as disclosure. Revealing this information could potentially hinder the Council's ability to secure value for money, compromise the commercial confidentiality of the entities mentioned within the report, and ultimately be detrimental to the Council's financial and business interests. These concerns are considered to surpass the benefits of increased public accountability, transparency in the expenditure of public funds, and openness in Council decision-making processes.

Has GDPR (General Data Protection Regulation) been considered? Yes, person-identifiable data is not present in this report.

1. Executive Summary

1.1 Cleckheaton Town Hall is a traditional ashlar and coursed stone-built property constructed in 1892 with three floor levels and lower ground floor rooms. A small extension to the rear of the premises was constructed many decades later of traditional brickwork. It contains a large hall, which has a 398 seat capacity, and two lounge areas – used to support larger events. The site also housed a small office accommodation base and has some meetings rooms.

1.2 In July 2022, a piece of plaster fell from the ceiling above the stage at CTH. No-one was injured by the fall, but this led to a series of investigations that concluded that the stage and main hall needed to be closed to enable a full scaffold to be erected to facilitate a detailed survey of the ornate plasterwork and lath & plaster ceilings due to potential structural issues. As a consequence, from Spring 2023 onwards all events, bookings and office accommodation use were cancelled and relocated where possible to other Kirklees Council venues.

1.3 On 26th September 2023, Cabinet considered a report on the future of Town Halls in Kirklees. Based on the information in the report Cabinet decided that:

"The main hall at Cleckheaton Town Hall is currently closed pending specialist investigation due to significant emerging condition and health and safety issues. The future planned capital investment needed to bring the building up to standard is already significant and currently unfunded. To allow the required further detailed assessment of the building to be undertaken the whole building will need to be mothballed. The building will remain mothballed until determined otherwise".

1.4 Following this decision, the Council's Technical Services were commissioned to undertake a full review of the condition of CTH using in-house expertise from the key professional disciplines (Mechanical / Electrical / Structural / Fabric / Fire / Asbestos) supplemented by specialist consultants around such issues as fire compartmentation and ornate ceilings/plasterwork. A detailed explanation of the condition issues found is attached at **Appendix A**, but a summary is as follows:

- Water ingresses due to deteriorated roof coverings.
- Extensive window repairs required.
- Extensive ornate plasterwork repairs required.
- Obsolete kitchen / welfare / sanitary provisions in need of replacement.
- Obsolete electrical systems in need of replacement.
- Obsolete mechanical systems in need of replacement.
- Failed mechanical heating plant in need of replacement and redundant biomass system that requires removal.
- Obsolete fire alarm installation in need of replacement.
- Non - compliant fire doors throughout the building that require replacement.
- A lack of firestopping between compartments throughout the building that must be resolved.
- Inadequate safe means of access for high level maintenance areas that require resolving.
- Unsafe structures within the clock tower and concert hall require improvement works.

1.5 The Council's in-house Quantity Surveying team has estimated that the rectification of the above works through a refurbishment of CTH would cost £7.183m (which assumes inflation to 3rd Quarter 2026 mid-point construction prices). A scheme would require around one year to develop and design, and around 18 months to implement on site.

2. Information required to take a decision

2.1 In order to make a decision around the future of CTH, a number of options have been considered and are outlined as follows:

Option 1 - Do nothing and keep the building closed in its current mothballed state.

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue cost per annum	Key Points	Timescale
Nil	Nil	£131K cost per each financial year that the building remains mothballed. This amount could fluctuate up and down depending on the extent of responsive repairs required.	The building remains closed, but costs continue to be incurred for business rates; some elements of repairs and compliance; utilities ; security; caretaking and miscellaneous costs. This avoids the deterioration of the building due to lack of heating / repairs and maintains the security of the site to prevent vandalism / break ins. £50K write off of Town Halls debt (see 3.2.5 below) will impact on the Treasury Management budget.	Ongoing until Cabinet makes a decision about a different course of action.

2.2 Under the above scenario, the building remains with the Council (thereby foregoing the potential for a capital receipt) and revenue savings are restricted to £60-70K each year (primarily on cleaning, caretaking, repairs and compliance) due to the need to continue to heat / maintain / secure the building in order to avoid its deterioration.

Option 2 – CTH is re-opened with limited refurbishment for H&S works, with other works to be undertaken in future years.

Estimated Capital Cost for the Council	Revenue borrowing cost per annum over 25 years.	Revenue cost per annum.	Key Points	Timescale
£1.5m	£108K	£205K estimated yearly operational running costs when fully re-opened.	Limited refurbishment to cover items such as structural repairs to the roof, fire compartmentation and fire doors, ornate lath and plaster repairs, boiler upgrade,	Around 18-24 months to design

£6m	£431K	Operational costs based on last full year of opening in 2022/23 uplifted for inflation.	weatherproofing works to ensure that the building is weathertight and safe to operate. Remaining refurbishment works would need to be delivered as required over a longer period of years (uplifted from £7.183m in option 3 to £7.5m to allow for some inflation).	and deliver on site. Spread over the next decade.
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2.3 Under the above scenario, the building remains with the Council and a capital receipt would not be achieved. There is no capital provision for this scheme in the Council's Capital Plan. This proposal would not deliver any revenue savings for Corporate Landlord and would increase the pressure relating to existing revenue savings expectations within the Corporate Landlord FM budget.

Option 3 - CTH is re-opened following a full refurbishment of the building in line with the works identified in the Council's condition report.

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue cost per annum.	Key Points	Timescale
£7.183m	£516K	£205K estimated yearly operational running costs if fully re-opened.	This is based on the detailed condition survey report which is summarised at Appendix A and QS estimate which assumes inflation to 3rd Quarter 2026 mid-point construction prices. No write off of Town Hall Service debt required under this option.	2.5 years

2.4 Under the above scenario, the building remains with the Council and a capital receipt would not be achieved. There is no capital provision for this scheme in the Council's Capital Plan. This proposal would not deliver any revenue savings for Corporate Landlord and would increase the pressure relating to existing revenue savings expectations with the Corporate Landlord FM budget.

Option 4 – Permanent closure and disposal of the building / site.

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
Nil	Nil	£131k per annum until the building is disposed of, then a	There are three potential routes for disposal of this asset – (a) Asset of Community Value (b) Community Asset Transfer and (c) auction or private treaty	12-18 months.

		saving of £205k per annum.	<p>sale. All three methods of disposal could occur within a 12-18 month period. There is a potential to achieve a capital receipt as indicated in Appendix B.</p> <p>There would need to be a write off of the £50K Town Hall Service debt (see section 3.2.5 below) which would impact on the Treasury Management budget.</p>	
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- 2.5 CTH is a nominated Asset of Community Value (ACV) and hence its disposal is governed by the Localism Act 2011. Should the Council wish to dispose of CTH having first declared it surplus to requirements, it must notify eligible groups of its intention to dispose of the asset. This triggers a six week interim moratorium period during which eligible groups can confirm their interest in being treated as a potential bidder for the building, followed by a six month full moratorium period during which an offer to purchase can be submitted .
- 2.6 The Council does not have to accept any offer and can sell to another party after the six-month full moratorium period has expired. A disposal must take place within the Protected Period (18 months from the original declared date of intention to dispose) otherwise the process begins again with a fresh notice of intention to dispose, and a new moratorium period.
- 2.7 The Council may wish to consider a Community Asset Transfer (CAT) but has no legal duty to do so – it is the Council's decision. Reasons for not considering a CAT include where a disposal would generate a capital receipt required to support the Council's capital programme or where is no clearly defined community use or the asset transfer would compromise existing community assets.
- 2.8 If a CAT is considered, interested parties would be invited to submit an initial expression of interest. If this is approved by the Council, the group(s) have six months to submit a full business case. Given the financial challenges faced by the Council, ideally a CAT should be resolved within one year, though past experience has shown that some transfers can take considerably longer, depending on the capacity of the applicant group and the complexity of the asset
- 2.9 Should the Council ultimately decide to sell the building, this could be via public auction by the Council's approved supplier of auction services or through a private treaty sale. Disposing at auction potentially provides the greater capital receipt but with no control over end ownership / use (though the planning process does provide a degree of control over end usage) whilst a private treaty sale provides greater control over future ownership / use (subject to planning) but potentially a lower capital sum.
- 2.10 Attached at **Appendix B** is a development appraisal by external consultants that indicates that CTH could potentially be re-developed for office or residential purposes, with a reasonable capital receipt achieved.
- 2.11 If option four was to be pursued it would achieve a significant revenue saving of £205k per annum once disposed of and could generate a reasonable capital receipt though the Council would be still liable for mothballing costs of £131k per annum until disposal had occurred.

Option 5 – Community management via a full repair and insurance lease following agreement of a revenue and capital investment business case.

Estimated Capital Cost for the Council	Revenue cost of borrowing per annum over 25 years.	Revenue Deficit per year	Key Points	Timescale
To be decided (see key points)	To be decided (see key points)	<p>Nil – as the successful group would take full responsibility for all operational costs as part of a full Repair and Insurance lease agreement.</p> <p>£131k per annum for the Council until an agreement was reached.</p>	<p>Community groups would be invited to submit an initial Expression of Interest within one month of the opportunity being advertised, followed by an application and business case within a further three months, which would then be considered by Cabinet. In order to support revenue income for the successful group, the Council would not limit commercial business use of the spaces to 30% as per a CAT. If a request for matched funding for any capital grants received from external sources was made by the successful group, this would be considered by the Council but with no guarantees that capital funding would be made available.</p>	6 months for the process outlined.

2.12 Finding a community group with the appetite, capacity, skills, experience and knowledge to take on an asset of this size, complexity, backlog of capital works and significant revenue running costs would be a sizeable and challenging undertaking. The process would be complicated and time consuming and for any group to be successful a detailed business case would need to be developed including details such as:

- how sufficient revenue could be raised to cover the annual running costs of the building, with clarity as to whether any new business secured would impact on existing Council and 3rd party facilities and venues elsewhere;
- how external capital funding to invest in the refurbishment of the building to address its key condition needs would be secured;
- the potential for repaying any capital investment from the Council if provided as match funding and over what period of time.

2.13 However, since the mothballing of the building, the community, Ward Members and the Local Member of Parliament for Spenn Valley have expressed their strong support and commitment to the continuation of CTH as a well-loved community venue.

2.14 There is, therefore, the potential that a group could step forward from the Cleckheaton community to take on the running of the building from the Council, though ownership would continue to rest with the Council (thereby foregoing a potential capital receipt). This option would operate outside of the Community Asset Transfer policy.

- 2.15 Option 5 provides the opportunity for the Council to save around £205K revenue per annum from the Corporate Landlord FM budget once the lease is operational, though whilst this was being agreed, annual mothballing costs of around £131K would need to be paid by Corporate Landlord. A write off of £50K debt for the Town Halls Service would also need to occur as the Service would have no income stream to service the debt, which would impact on the Treasury Management Budget.

The social and economic impact of Town Halls

- 2.16. In reaching a decision about the option to be implemented, Members will be mindful of the positive impact that a successful Town Hall can have on a local community / area and equally, the potential negative impact when local facilities are closed.
- 2.17 The activities at CTH provided a significant draw for visitors, which benefited local businesses, cafes, bars and restaurants. The current mothballing of the building and the transfer of events away from the main hall has led to a reported decrease in footfall around the town centre, negatively impacting sales and revenue for businesses. Events hosted at the Town Hall, such as the Cleckheaton Folk Festival, brought in visitors from outside Kirklees, who spent money locally on accommodation, food and other services. The closure of CTH has resulted in a loss of this important source of supplementary income.
- 2.18 The mothballing of the Town Hall has also impacted on community and cultural activities in and around Cleckheaton. The building was a hub for various community groups including amateur dramatic societies, dance schools, and the University of the Third Age (U3A). The ongoing mothballing has and continues to bring disruption to their activities, with a reported drop in membership as a consequence.
- 2.19 Additionally, CTH did host a number of events that were culturally significant to local residents, and which helped contribute to the town's identity and vibrancy. The cessation of events has diminished cultural opportunities for the community. The building also served as a social gathering point, fostering community spirit and cohesion. Its closure has reduced the number of community gatherings, impacting on the social fabric of the area.
- 2.20 Whilst it is acknowledged that the mothballing of the town hall has impacted negatively on Cleckheaton Town Centre, the counter balance is that the transferred bookings have brought an extra flourish and longevity to places to such as Gomersal Public Hall and Batley Town Hall, which have become busier and more sustainable due to the increased footfall.
- 2.21 For a community group to be successful in operating CTH if re-opened, it would no doubt wish to attract bookings, events and activities back from these venues and benefit from the lettings, bar and catering income opportunities these bring in order to be financially sustainable. Prior to CTH closing, the expected surplus from these income opportunities was around £30-45K per annum. In any business case brought forward by a successful community group, the Council would wish to understand how this might impact on the viability of Council and 3rd party facilities and venues elsewhere and what potential mitigation measures could be introduced.

3. Implications for the Council

3.1 Council Plan

3.1.1 The Council is facing unprecedented financial constraints and therefore needs to ensure that every pound spent is carefully assessed to ensure that it delivers on key priorities which help generate positive outcomes for the Council and its residents. CTH can no longer be considered a key core asset of the Council that needs to be retained for strategic reasons, but it does play an important role in the communities it serves. It is hoped that by working with people and partners, we can help CTH to play a revitalised role through a lease arrangement that puts the community, not the Council, at the forefront of delivering and paying for activities in the town hall.

3.2 Financial Implications

3.2.1 If CTH was to fully re-open, this would require a revenue budget allocation of around £205K per annum (plus yearly inflation) at a time when funding for Corporate Landlord activities is under extreme pressure due to the Council's financial constraints. The following table provides an indication of the likely revenue budget required to operate the building:

Cleckheaton Town Hall Projected Revenue expenditure	Financial Year 2025/26
Building Repairs	£30,000
Business Rates	£34,000
Cleaning	£32,760
Compliance	£30,000
Utilities	£70,000
General Other Costs	£1,000
Grounds Maintenance	£1,000
Sanitary and Waste	£5,000
Security	£1,500
TOTAL	£205,260

3.2.2 The main outgoing for Corporate Landlord relates to the Council's sizeable asset base of land and buildings, which has been built up over many decades for a large variety of reasons. A core plank of any proposals to reduce the outgoings of the Service is a significant reduction in its assets, including disposal of assets considered to be peripheral or surplus to the Council's needs.

3.2.3 CTH is considered to be a non-core asset which does not have a strategic role to play moving forward. However, by recommending option 5 it is hoped that the building will continue to play an active role in the community whilst relieving the Council of the financial burden of operating the building from a revenue perspective. Should a community lease arrangement be put in place, this will save the Council around £205K revenue per annum. Under all five options under consideration, the Council will be responsible for the £131K mothballing costs during financial year 2025/26.

3.2.4 The refurbishment costs as outlined in Appendix A for CTH are £7.183m, for which there is no provision within the existing Council Capital Plan. Borrowing £7.183m over a 25 year period via the Public Works Loans Board (PWLb) would cost the Council £516K in annual revenue

repayments. Depending on the PWLB rates applicable at the time, each £1m borrowed over 25 years costs around £72K per annum to repay. There is no provision for this in the Council's Medium Term Financial Revenue Plan and therefore if this scheme was added to the Capital Plan this would create additional revenue pressures

3.2.5 The Town Halls Service has identified that there is an outstanding self-financing capital debt of £50K relating to refurbishment of the main bar at CTH. If the town hall was to remain mothballed, closed permanently or be transferred to a new operator such as a community group under option 5, the Town Hall Service would have no means of recouping the borrowing costs of the bar investment. It is recommended to Cabinet that should option 4 or 5 be adopted, then this debt should not be recovered and instead an appropriate adjustment is made to the 2025/26 Treasury Management budget to reflect the non-repayment.

3.3 Legal Implications

3.3.1 The Council has power to provide grant funding and enter into a grant agreement under the General Power of Competence under Section 1 of the Localism Act 2011 in accordance with the Council's Financial Procedure Rules.

3.3.2 The council has a duty of Best Value under section 3 of the Local Government Act 1999 to secure continuous improvement in the way functions are carried out having regard to a combination of economy, efficiency and effectiveness. The council has a fiduciary duty to taxpayers to ensure, before committing to any revenue funding (and future capital costs), that it is prudent, affordable and sustainable in the context of the council's unprecedented budget challenges and the statutory requirement for a balanced budget. The council must have regard to all relevant factors and disregard irrelevant factors. It must act in accordance with Wednesbury reasonableness meaning that decision making should be rational having regard to all relevant factors.

3.3.3 The Council has the power to enter into a long lease pursuant to Section 123 of the Local Government Act 1972 and has a duty to obtain best consideration that can be reasonably be obtained for disposal of land. The General Disposal Consent 2003 (Circular 06/03) permits the Council to dispose of land that is not held for planning or housing purposes at an undervalue of less than £2million without seeking consent of the Secretary of State provided that the Council is satisfied that to do so will secure or promote or improve the social, economic or environmental wellbeing of its area. The grant of any lease to a tenant at an undervalue would need to comply with the Subsidy Control Act 2022 particularly as it is likely to involve a degree of commercial usage.

3.3.4 The inclusion of any open space in any proposed asset disposal will require the Council under the Local Government Act 1972 to advertise the intention to dispose of the land and require Cabinet to consider any objections.

3.3.5 The council has power under Section 132 of the Local Government Act 1972 to acquire or provide and furnish halls, offices and other buildings within or outside its area for the use of public meetings and assemblies.

3.3.6 The council must have due regard to its Public Sector Equality duty under section 149 of the Equality Act 2010 before making any decision .

3.4 Other (e.g. Risk, Integrated Impact Assessment or Human Resources)

3.4.1 An Integrated Impact Assessment has been produced and Cabinet will take due consideration of its content when making their decision. The IIA will be published on the Council's website.

4 Consultation

4.1 The Portfolio Holder for Finance and Regeneration and the Service Director – Development have met with the Ward Members for Cleckheaton on a number of occasions to discuss the future of CTH. Local Councillors have been consulted and are not in favour of the current recommendation as listed in this report.

5 Engagement

5.1 Following the Cabinet decision on the future of CTH, if option 5 is approved as the way forward, officers will invite the local community, businesses, Ward members and the Local MP for Spen Valley to come forward with proposals for a community led re-opening of CTH. The process to be followed would require initial expressions of interest within one month of the opportunity being advertised, followed by an application and business case within a further three months. Officers from the Assets and Estate team, together with the 3rd Sector and Communities team, would work to support a group(s) chosen to produce their application and business case with external advice provided by Locality (a national charity network that provides expertise in community leases / transfers) and access to a support grant of up to £10K from the Corporate Landlord revenue budget to help the development of the required business case. The final decision on the future of CTH will be taken by Cabinet.

6 Options

6.1 Officers have considered five potential options for the future of CTH as follows:

- Option 1 - Do nothing and keep the site closed in its current mothballed state.
- Option 2 - Reopen with limited refurbishment for H&S works, with other works in future years.
- Option 3 - Reopen following a full refurbishment of the building.
- Option 4 - Permanent closure and disposal of the building/site.
- Option 5 - Community management via a full repair and insurance lease following agreement of a revenue and capital investment business case.

6.2 Sections 2.1 to 2.15 of this report provide a detailed summary of each of these options, outlining the revenue and capital implications of each and the impact on the future ownership and operation of the building.

6.3 The officer recommendation is **that Option 5 – the exploration of a management agreement whereby a successful community group manages the building and covers the revenue running costs under a full repair and insurance lease, following the provision of a business plan outlining how revenue running costs and capital investment into CTH could be secured through external sources – be approved by Cabinet.**

6.4 If this option is approved, officers will undertake a process to identify a potential group with a viable revenue and capital investment plan for a community run future for CTH and will

return to Cabinet within a six month timeframe for further consideration of this issue and a decision on the way ahead.

- 6.5 A write off of a debt of £50K due for repayment by the Town Hall Service is also recommended as under option 5 if implemented. the Service would have no means of raising income to service the debt borrowing costs.

6.6 Reasons for the Recommended Option

6.6.1 These recommendations are made for the following reasons:

- The Council is facing considerable financial challenges and needs to reduce its long term revenue commitments. This option would enable the Council to alleviate pressures in its Corporate Landlord FM budget by transferring responsibility for the revenue operational costs of CTH to a successful community group via an appropriate lease arrangement;
- It would alleviate the pressure on the Council's Capital Plan as there is no current provision with the Plan for capital investment in CTH, therefore any Council investment would require additional borrowing, which is unaffordable in the current financial climate. The successful community group would be expected to apply for appropriate grants from Lottery, Heritage, Arts, Community and other bodies in order to meet the long term capital investment needs of the building. Should matched funding for external grants be required this may be considered by Council at a future point.
- It is recognised that whilst CTH is no longer viewed by the Council as a core strategic asset, the building is important to the local community and to the identity of Cleckheaton. This option provides an opportunity for the community, businesses, Ward Members and the Local MP for Spen Valley to step forward with proposals to re-open and revitalise this building as a community venue, with the backing of a financially viable business case that will secure the long term future of CTH.
- It is anticipated that through seeking external revenue and capital grants, fund raising activities and the adoption of a commercial approach to the letting and management of this building, a successful community group could realistically re-open and manage CTH for the future benefit of communities it serves.

7 Next steps and timelines

- 7.1 Should the decision be made to move forward with Option 5, officers will prepare relevant documentation to enable an engagement to occur with interested parties regarding a community led future for CTH as described in this cabinet report. Using the delegations requested in this cabinet report, the Executive Director for Place, in consultation with Portfolio Holder for Regeneration and Finance, the Service Director for Finance and the Service Director for Legal and Commissioning (Monitoring Officer) will oversee the process for the identification of a potential community group(s) to lease CTH in accordance with the timelines in this report. This matter will return to Cabinet for a decision within six months.

8 Contact officer

David Martin – Head of Service for Property – david.martin@kirklees.gov.uk.

9 Background Papers and History of Decisions

Asset Review September 2023 Cabinet report – 26th September 2023.

10 Appendices

Appendix A Public - Executive summary of condition report on Cleckheaton Town Hall

Appendix B Private - Development appraisal for Cleckheaton Town Hall.

11 Service Director responsible

Joanne Bartholomew – Service Director for Development –
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