

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

**AGENDA
ITEM NO**

8 OCTOBER 2020

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Report Title	STROUD CEMETERY CHAPEL			
Purpose of Report	To seek approval to agree terms for a transfer of Stroud Cemetery Chapel to the Stroud Preservation Trust Ltd.			
Decision(s)	<p>The Committee RESOLVES to agree terms for a transfer of Stroud Cemetery Chapel to the Stroud Preservation Trust for £1 subject to:</p> <ul style="list-style-type: none"> a. Detailed feasibility studies b. Public consultation c. A further report to a future meeting of the Strategy & Resources Committee d. Compliance with Section 123 of the Local Government Act by securing the promotion or improvement of the economic, social or environmental well-being of the area 			
Consultation and Feedback	<p>Stroud Town Council – informal views on the Trusts proposal have been feedback</p> <p>Saveourspace – included in report</p> <p>Stroud Ward Members - tbc</p> <p>Specialist Conservation Officer and Biodiversity Officers SDC Planning Service</p>			
Report Author	<p>Jill Fallows Property Manager</p> <p>Email: jill.fallows@stroud.gov.uk</p>			
Options	The council could attempt to dispose of the property on the open market			
Background Papers	None			
Appendices	<p>Appendix A – Site Plan</p> <p>Appendix B – Stroud Preservation Trust - Proposal</p>			
Implications (further details at the end of the report)	Financial	Legal	Equality	Environmental
	Yes	Yes	Yes	Yes

1. INTRODUCTION / BACKGROUND

1.1 The Cemetery Chapel of Rest is a Grade II listed building dating from the mid-19th century located in a prominent position in Stroud Cemetery overlooking the town and countryside (see Appendix A). The chapel was used by Stroud Town Council as a grounds maintenance depot for a number of years until it relocated in 2018. In 2017 the cemetery was transferred to the town council, at that time the district council also agreed to give the

town council first refusal to purchase the chapel at market value before it was sold on the open market as the district council had no use for it. However, after setting up a working group, undertaking a feasibility study and public consultation the town council decided not to purchase the chapel as the costs were too high.

- 1.2 A condition survey was commissioned by SDC in 2016 which identified building maintenance costs in excess of £200,000 over a 5-year period. The main element of repair identified was a new roof. There is a risk that the council will be exposed to significant costs to keep the building in good repair if it retains ownership of the chapel.
- 1.3 The chapel is a surplus asset, the council has no operational use for it and it needs significant money spent on it to maintain, convert or renovate it. The decision to dispose of the chapel on the open market was made by Strategy and Resources Committee in October 2016.
- 1.4 In April 2019 a Public Notice advertising the proposed disposal of the property was run in the media to allow the public to make their views known. This was necessary to comply with Section 123(2A) of the Local Government Act as the open tarmac area surrounding the chapel is defined as public open space. This generated a large response, with local people objecting to the disposal, in particular, of the tarmac area surrounding the chapel. The town and district councils hosted a public meeting in May 2019 to discuss the future of the chapel and the local community's concerns regarding public access to the tarmac apron.
- 1.5 The meeting was well attended (41) the consensus of views seemed to be;
 - Public access to the tarmac area, particularly the southern area, with the view, was a priority to be maintained
 - Access for burials and to burial plots must be maintained (notice should be given to plot holders where possible, of the proposal to dispose of this area and the Chapel)
 - The future use of the building was debated—there was no clear community view on what sort of uses (community, commercial, residential etc) were acceptable but there was concern about too many vehicles being able to access this area.
 - There was agreement that a sympathetic use (bearing in mind it is located in a cemetery and close to plots where recent burials have taken place) should be found to avoid the Chapel deteriorating and that this use needed to be financially sustainable
 - The community wanted some time to consider whether there could be a community proposal to take on the building and bring it back into use

There were some strong views expressed that a residential use wasn't acceptable, but officers advice was not to close off any options at this stage, - indeed the community itself may need to consider all options if it wishes to make a successful bid for the property.

- 1.6 The district council offered the community time to come up with a proposal. The council's main concern is to bring the listed chapel back into a suitable use as soon as possible to

secure its future. The chapel itself is not on the Assets of Community Value Register because it does not have public access.

2. PROPOSAL

- 2.1 Stroud Preservation Trust, formally set up in 1982, is a Registered Charity whose core purpose is “to preserve for the benefit of the townspeople of Stroud... and of the nation at large ... buildings of particular beauty or historical architectural or constructional interest”. Members of the Trust attended the public meeting in May and have since confirmed it is interested in raising the necessary funds to carry out a more detailed feasibility plan. Initial costings have shown that there is a significant conservation deficit for the building and the Trust has therefore asked the council to consider a community asset transfer at £1. A conservation deficit is a situation which applies to historic buildings where the cost of converting it to a new use is greater than the value it would have on completion of the works. The Trust’s proposal is set out in Appendix B. Further information regarding the Trust can be found on its website <http://www.stroudpreservationtrust.org.uk/>
- 2.2 If the council proceeds this would be a disposal at less than best consideration. (See legal implications below). An up to date valuation has been commissioned as part of this process. The market value of the building as at 31st July 2020 was £175,000. The market value of the building based on the special assumption that the use of the premises is restricted to non-profit making provision of cultural and community facilities for public benefit is £50,000.
- 2.3 If the district council does decide to transfer at less than best consideration it would have to ensure that key terms and restrictions are imposed to preserve the future of the building, secure the provision of community facilities for public benefit on the premises and to protect existing public access and use of the tarmac apron and be satisfied that the disposal will help the promote and improve the economic, social and environmental well-being of the area.
- 2.4 The Trust has done some preliminary work on future options. Their preferred option, at this stage, is to convert the northern chapel to residential and the southern chapel into short term serviced offices with a multi-use space below including toilets and kitchen for community use, the sale of the residential unit helping to fund the renovation costs. This option would enable the majority of the tarmac apron to be open and accessible to the public and provide community space. Any proposals will be subject to planning, detailed feasibility studies and public consultation.
- 2.5 Members of the local community set up an informal group ‘Saveourspace’, which has been contacted regarding this proposal. It is aware that the SPT is actively involved and hope they will be able to communicate more effectively with the community than they have been able to. It advised that the community is interested and keen to get involved. Public consultation on the Trust’s plans will be a fundamental part of the next stage.

3. CONCLUSION

- 3.1 This is a surplus, vacant, listed building which needs a significant amount of money to be spent on it to maintain it, convert or renovate it. Building maintenance costs in excess of

£200,000 were identified in 2016 and the Trust has estimated renovation costs at between £700,000 and £900,000 as set out in their proposal at Appendix B. The decision to dispose of the asset on the open market was made by Strategy & Resources Committee in October 2016.

- 3.2 There is an opportunity to work with a local, well thought of and experienced Trust to bring this landmark listed building back into use and secure an element of community use.
- 3.3 The SPT needs to have some reasonable certainty that the council is willing to transfer the chapel to them for £1 before committing any further expenditure and time on feasibility studies, consultants and public consultation and in order to begin to raise funds and apply for grants.
- 3.4 It is therefore recommended that the council agrees, in principle, to transfer the Cemetery Chapel for £1 to the Stroud Preservation Trust Ltd subject to further feasibility studies, public consultation and a further report to a future meeting of the Strategy and Resources Committee.

4. IMPLICATIONS

4.1 Financial Implications

The following bullet points set out details of significant implications identified by officers

- As set out in the report the estimated costs to bring this asset back into use are significant and likely to be in excess of market value.
- The Council therefore has little financial or operational value to be derived from the asset. It is therefore possible to consider a transfer at less than best consideration. However, there are strict criteria which must be satisfied around that as set out elsewhere in the report and the legal implications.
- There are no expected capital receipts from the asset included in the current Medium Term Financial Plan

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4.2 Legal Implications

The general power of disposal of property by local authorities is set out in section 123 of the Local Government Act 1972. This gives a local authority the power to dispose of land held by it in any manner it wishes provided that it achieves the best consideration that can reasonably be obtained. Case law has decided that in order to achieve best consideration, the consideration which a local authority receives must have an economic or monetary value.

- 4.2.1 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.
- 4.2.2 It is possible for a local authority to dispose of land for less than best consideration with the consent of the Secretary of State. However, as is the case here, specific consent is

not required for the disposal of any interest in land where the undervalue is less than £2m and where the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area (see *Circular 06/03: Disposal of land for less than best consideration, Local Government Act 1972: Draft General Disposal Consent 2003* (2003 Consent))

- 4.2.3 Whilst, this proposed disposal will be within the General Disposal Consent, for completeness, it is useful to set out what can constitute best consideration. The overriding consideration when answering this question is the commercial value of the disposition to the local authority and it is reasonable to conclude that this can include cost avoidance in terms of maintenance and repairing requirements.
- 4.2.4 In determining "best consideration reasonably obtainable", the only consideration that can be taken into account is that which has commercial or monetary value to the local authority. The terms on which the land is disposed are material to the assessment of the consideration.
- 4.2.5 When considering the best price that can reasonably be obtained, a local authority may have regard to ethical as well as commercial considerations. However, although such considerations may be a factor in deciding to sell at a certain price, they must be in balance.

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4.3 **Equality Implications**

There are not any specific changes to service delivery proposed within this decision; the Trust's proposal would provide public access to part of the chapel and maintain access around it, if it proceeds.

4.4 **Environmental Implications**

Implications will need to be addressed as part of any listed building and planning applications. There are bat species present in the Chapel roof and further surveys will need to be undertaken and mitigation measures agreed if the project proceeds.