

BROMSGROVE MUSEUM

Relevant Portfolio Holder	Roger Hollingworth
Relevant Head of Service	Jayne Pickering – Executive Director of Finances and Resources
Non-Key Decision	

1. SUMMARY OF PROPOSALS

- 1.1 To update members in relation to the negotiations to dispose of the Bromsgrove Museum building.
- 1.2 Members are being asked to consider the sale of the Museum building to the Norton Collection Trust with appropriate claw-back conditions

2. RECOMMENDATIONS

- 2.1 **Cabinet is asked to note the recent information obtained from the valuation service officers and to consider and determine whether to accept the offer put forward by the Norton Collection Museum Trust (formally known as the Friends of the Norton Collection Charitable Trust) to purchase 26 Birmingham Road for the sum of £200,000 (on final terms to be agreed, to include completion of the sale within a 6 month period).**
- 2.2 **Authority be delegated to the Director of Resources and the Head of Legal Equalities and Democratic Services in consultation with the Leader to determine the terms for disposal of the museum building.**

3. Key Issues

- 3.1 In April 2011 the Cabinet approved to grant the Trust an option to purchase the museum building for the sum of £285,000 on terms to be agreed. This decision followed numerous discussions with the Trust whereby it had become apparent that to enable third parties to properly commit funds to this project that a more secure option to purchase would be required by the Trust.
- 3.2 Officers have continued to negotiate with the Solicitor acting for the former donor of the Norton Collection and the Norton Collection Museum Trust to reach an agreed position with regards to the status of the artefacts and the historic terms of the trust deed.

- 3.3 Members will recall that officers are working to resolve the issues surrounding the cataloguing and that these matters will need to be resolved by the completion of the sale although it is fair to say that the task is not as onerous as originally anticipated and an agreed position is in sight.
- 3.4 At all meetings Cabinet Members have acknowledged the value of the museum and their desire to maintain the provision thereof to the community of Bromsgrove.
- 3.5 Members are advised that there are still a number of smaller terms that need to be agreed in relation to the storage of the artefacts and access to the museum building prior to the formal transfer for the purposes of undertaking the cataloguing.
- 3.6 The Cabinet has previously agreed to the sale of the building and the sale of the building is in line with the Council's priority to develop and regenerate the Town Centre.
- 3.7 The Cabinet has determined through the business plan provided by the Friends of the Norton Collection (now the Norton Collection Museum Trust) that the proposed project would benefit the Town Centre and enable the Council to further the objects of the Museum Trust.
- 3.8 As previously reported it is essential that members consider the costs associated with continuing to store, maintain and catalogue these items and the risks, which have previously been reported to members, of disposing of the collection in relation to cost, time and reputation.
- 3.9 Since 2011 officers have been working with valuation colleagues to ensure that the expected value of the building is reasonable in the current market.
- 3.10 In light of the recent request by the Trust further advice has been sought and members are advised that with appropriate restrictive covenants and claw back provisions that the figure of £200,000 would not be unreasonable in the current property market.
- 3.11 The advice received is that it would be appropriate to include a restrictive covenant and claw back provision when disposing of the property to ensure that the building continues to be used as a museum or that, in the event that it is subsequently developed for other purposes, the Council benefit from such development by receiving 50% of any increase in value

of the building upon planning permission being granted for such development.

- 3.12 Members are advised that it would be a matter for negotiation with the Norton Collection Museum Trust in respect of the detailed terms and this report is suggesting a delegation to the Director of Resources and the Head of Legal, Equalities and Democratic Services in consultation with the Leader to determine the terms of the disposal in the event that members are minded to agree that this is the appropriate course of action
- 3.13 Members must also consider that the building itself does not support the Councils development plans for the Town Centre in that;
- A recent survey by GJS Dillon did not identify any market interest in the site
 - The museum does not feature in the Draft Area Action Plan
 - The development of Sainsburys will not greatly effect its market value or potential interest
 - There is limited parking
 - There is an annual cost associated with the maintenance and security of the empty building.
- 3.14 Taking these points into consideration together with the likely positive impact that a museum would have on the regeneration of the Town Centre, a matter which is at the fore of Council priority, members may wish to consider that, being released from the current burdens of general upkeep, a disposal at this value might be advantageous.

Financial Implications

- 3.15 As previously reported to members there are a number of financial costs associated with the present site including security, business rates and general upkeep / maintenance. In addition the costs relating to the cataloguing and potential disposal of the artefacts.
- 3.16 The combination of non-business rates (amounting to approximately £13,000 per annum), work on preparing the items for sale, the reputational damage and the other associated costs leads to the proposed sale being a preferred way of achieving a simultaneous disposal of the property and the transfer of the Collection.
- 3.17 If a sale is made to any party other than the Trust vacant possession is likely to be required which would incur substantial, additional, costs in terms of stripping the building and removing its contents to storage. It is also likely that any other potential purchaser will require the Council to

arrange for existing covenants and planning restrictions to be removed – a process which could be both lengthy and expensive.

- 3.18 If the sale is approved any budgets currently associated with the provision of the museum building will be included as savings within the medium term financial plan.

Legal Implications

- 3.19 It is a legal requirement that any transfer of the Collection is made to a charity or charitable trust with objects which are substantially similar to those of the Norton Collection.

Customer / Equalities and Diversity Implications

- 3.20 The museum is a facility that would become open to the public and would rely on customer support for its future.

4. RISK MANAGEMENT INCLUDING HEALTH & SAFETY CONSIDERATIONS

- 4.1 Members are advised that although the restrictive covenant articulates the Council's intention that the building continue to be used as a museum that it may be challenged in a tribunal environment.

5. APPENDICES

None

6. BACKGROUND PAPERS

Cabinet report dated 6th April 2011

7. AUTHOR OF REPORT

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