



EXECUTIVE MEMBER DECISION

REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Environment & Operations
DATE:	08 September 2022

PORTFOLIO/S AFFECTED:	Environment & Operations
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WARD/S AFFECTED:	West Pennine;
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SUBJECT: EMD The Lodge, Turton Tower

1. EXECUTIVE SUMMARY

The Lodge and the Turton Tower Estate are owned by Blackburn with Darwen Council as sole Corporate Trustee for the Turton Tower Charity Trust (Registered Number 513819). The Charitable Funds Committee ('the Committee') supports the Council in its function to act in the best interests of Turton Tower in relation to operational matters and provides recommendations for long term strategic sustainability.

The Lodge which is located c.800m away from the Tower, is a residential property on the edge of highly sought after semi-rural village. However, the accommodation is falling into increasing disrepair. The previous tenant vacated 12 months ago and during the intervening period there has been low level vandalism to the building. In its current condition the Lodge does not achieve the standard for an EPC rating; to refurbish the property to rentable standards would require significant investment. In its current condition independent valuation has confirmed that the Lodge would generate significant interest if put up for sale on the open market.

The Committee has resolved that it is in the best interests and long term sustainability of Turton Tower to recommend that the Lodge be sold on the open market. Proceeds of the sale would be ring fenced and utilised to invest in the long term sustainability plans for the Tower including further exploring the development of the stables to create commercial hospitality spaces for income generation avenues to contribute to a sustainable business model for Turton Tower and create an ongoing funding reserve available for future investment and upkeep of the historic Grade 1 listed building.

The disposal of the Lodge requires Charity Commission consent; this can be pursued concurrent with the sale process for The Lodge.

2. RECOMMENDATIONS

That the Executive Member:

- Considers the information provided within this report, informed by an independent valuation and approves the disposal of the Lodge on the open market as in the best interest of Turton Tower.

- To note that the proceeds of the sale will be retained by the Trust (as required by the Charity Commission) to re-invest in Turton Tower as part of a sustainability plan including the creation of viable commercial premises through the refurbishment of the stables.
- Delegates authority to the Strategic Director of Environment & Operations to obtain the necessary consents from the Charity Commission, and in consultation with the Executive Member for Growth & Development to undertake the process for marketing and the sale of the Lodge.

3.BACKGROUND

The Lodge and the Turton Tower Estate are owned by Blackburn with Darwen Council as sole Corporate Trustee for the Turton Tower Charity Trust (Registered Number 513819). The Council in its capacity as sole corporate trustee has a duty to act in the best interests of the charity and to act and make decisions that are in the best interests of Turton Tower; the Charitable Funds Committee supports this function in relation to operational matters and provides recommendations for long term strategic sustainability.

The Lodge is a detached part single, part two-storey dwelling originally built as a lodge house in the late 1800's to serve the Turton Tower Estate. It is located in the grounds of the borough's only Grade 1 listed building but is itself not part of the listing. Turton Tower is approximately 800m distant along a pedestrian footpath. The property was occupied as a residential dwelling until approximately 12 months ago. It is now vacant and falling further into disrepair.

To re-rent the Lodge there is a legal requirement for the property to secure an Energy Performance Certificate (EPC) rating of E or above and from 2025 the EPC rating would need to be C or better. In its current condition The Lodge does not achieve the standard for an EPC rating. The Council's Building Maintenance team undertook an assessment of the Lodge and concluded that it would require significant investment to bring the property up to a level capable of securing an EPC rating. The level of investment would not provide a strong monthly rental return.

Separately, the Committee have been exploring the possible options and opportunities to create a sustainable operating model for Turton Tower and its surrounding grounds. Included in these considerations is the potential to secure funding for the development of the nearby stables. The outline scheme would retain and develop the stables' structure and use its character to create spaces for commercial hospitality enterprises which would provide income generation avenues to contribute to a sustainable business model for Turton Tower and create an ongoing funding reserve available for future investment and upkeep of the Grade 1 listed Tower. Protecting and preserving Turton Tower is a principle objective of the Committee.

Given the above information and need to secure the longer term future of Turton Tower the Committee requested that an independent surveyor be engaged to undertake a full valuation of the Lodge and assess its current market value to assist the Committee in making an informed recommendation to the Council on the future of The Lodge.

The Council engaged a local, highly experienced business, familiar with the compliance requirements of the Charities (Qualified Surveyor's Report Regulations) Act and suitably qualified to undertake the property valuation. The site visit took place on 6th July, 2022 covering all aspects required by the Charities Commission to support the Trustees' resolution and Council's decision making process.

Below is a summary of key points

- The Lodge is an unusual property but offers an interesting but constrained renovation project likely to require major refurbishment to improve to meet expected levels of presentation and insulation for the market either as owner occupied or for buy to let investors.

- The property is within an extremely popular semi-rural village location on the southerly edge of the West Pennine and Darwen Moors within easy commuting distance of a large metropolitan population with Greater Manchester and Liverpool
- Residential opportunities in this area are sought after and, despite the condition and need for extensive upgrading and in all likelihood extensions, the property is likely to create quite a bit of interest on the market
- The assumed garden boundaries would provide scope for a nominal extension to the property to create a 3/4 bedroomed accommodation within this pleasant semi-rural location.
- The property is likely to create quite a bit of interest on the market with the successful sale being dependent on a realistic initial asking price but with the opportunity of competitive bidding in an open informal tender situation
- Should significant investment be committed to the refurbishment and repair of The Lodge in order to achieve an EPC E rating the Council, as landlord would still retain responsibility for the future maintenance and repairs to the fabric of the building and its associated services.

4. KEY ISSUES & RISKS

To support the best interests of Turton Tower the Committee takes a pro-active approach to exploring opportunities that will protect Turton Tower and support its long term sustainability and bring forward these recommendations to the Council, as owner and Corporate Trustee.

The Lodge is currently vacant and has recently experienced low levels of vandalism. Leaving it in a vacant position risks the potential for further damage to occur and the need for increased costs to secure/protect the property.

The property cannot be re-let without significant investment to upgrade and refurbish it with the Council retaining full liability for repair and ongoing maintenance.

The Committee have a medium term aim of transforming the stable block to create opportunities for commercial enterprise spaces, potential café and conferencing. This is part of longer term plans to secure a sustainable operating model to preserve and protect Turton Tower. Without ongoing investment there is a risk that the fabric of the Tower deteriorates and access to local and national history is lost.

The Committee met virtually on 1st August, 2022 and using the information provided within the independent valuation report they considered the following options for the Lodge:

- a) Do nothing and accept the risk of further damage and vandalism to the Lodge incurring additional expense to repair / secure the property
- b) Make a case for investment to upgrade the Lodge to secure an EPC in order to re-let it
- c) To recommend to the Council, as Corporate Trustee that the Lodge is sold on the open market with the proceeds being ring-fenced and utilised to re-invest in Turton Tower as part of the sustainability plan including the creation of viable commercial premises through the refurbishment of the stables.

The outcome of the meeting was that the Committee unanimously resolved to recommend selling the Lodge in the best interests of Turton Tower.

The disposal of the property should be undertaken on the open market, through an estate agent familiar with the local property market, with a reputation capable of generating high interest in the Lodge in order to achieve the maximum price possible. To benefit from the current buoyant property market this process should commence as soon as possible.

Progressing a sale of the Lodge will be concurrent with the ongoing process required to secure consent for its disposal from the Charity Commission.

5. POLICY IMPLICATIONS

None

6. FINANCIAL IMPLICATIONS

To retain the Lodge and prepare it for the rental market would require a significant capital investment. Retaining ownership of the Lodge necessitates an ongoing financial commitment to its repair and maintenance. As an old property, c1890 it is likely that these costs may increase significantly over the coming years. Selling the Lodge would remove the financial risk and ongoing maintenance costs for the Council.

The proceeds of the sale will be ring-fenced to re-invest in Turton Tower as part of the sustainable business plan, thus reducing the financial risk and burden to the Council whilst protecting the Tower.

If the sale of the Lodge is pursued then it is recommended that external professional expertise is secured to support the Council to progress and provide the necessary assurance and documentation to meet the Charity Commission requirements.

7. LEGAL IMPLICATIONS

The resolution of the Charitable Funds Committee to recommend the sale of the Lodge and approval by the Executive Member, Growth and Development, on behalf of the Council will further require the consent for disposal from the Charity Commission.

The independent valuation report provides the Trustees and the Council with a Valuer's opinion of the current market value of the Lodge for pre-marketing advice and valuation in compliance with the Charities (Qualified Surveyor's Report Regulations) Act.

8. RESOURCE IMPLICATIONS

Internal support will be provided through the Council's Legal Department. However, external capacity and expertise may be required to support the preparation of the necessary documents to secure Charity Commission consent and the property's sales marketing documentation.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

The Turton Tower Trustee Committee resolved to sell the Lodge at a meeting held on 1st August, 2022 and are recommending this to the Council, as owner and sole Corporate Trustee

Consultation with and consent from the Charities Commission will be required before a sale can be concluded

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable.

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CONTACT OFFICER:	Claire Ramwell
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DATE:	6.9.2022
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BACKGROUND PAPER:	
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