

**REPORT FROM: CENTRAL SERVICES
HEAD OF CENTRAL SERVICES**

TO: EXECUTIVE

DATES: 17th MAY 2012

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PENDLE HERITAGE CENTRE

PURPOSE OF REPORT

1. This report seeks the approval of the Executive to changes in the operating arrangements and the lease agreement between the Council and the Heritage Trust for the North West in relation to the Pendle Heritage Centre. .

RECOMMENDATIONS

2. That the Executive agree:-
 - a) to the proposed changes to operating arrangements for the Pendle Heritage Centre as set out at [Appendix B](#) to this report;
 - b) give delegated authority to the Head of Central Services to make amendments to the existing lease with HTNW to reflect these changes where this is considered necessary.

REASONS FOR RECOMMENDATION

3. To allow the Heritage Trust for the North West to operate the Pendle Heritage Centre in a more sustainable manner.

ISSUE

4. Since March 1997, the Pendle Heritage Centre in Barrowford has been leased by the Council to the Heritage Trust for the North West (HTNW). A plan of the site is provided at [Appendix A](#).
5. In November 2011, the HTNW submitted a request to the Council to change the way in which they are permitted to operate the Heritage Centre. These changes would, according to the

HTNW, enable it to operate in a more flexible way allowing income to be generated to sustain the Site.

6. The proposed changes from the HTNW are detailed at [Appendix B](#) along with commentary on the proposal from the Council's perspective. This indicates, in each case, the recommendation to the Executive to agree/not agree the proposed changes.
7. The Executive should note that meetings have been held with representatives of the HTNW and Cllr Crossley, Cllr Eyre (both Barrowford Councillors) and former Cllr Blomeley to consider these proposals in detail. The proposals at [Appendix B](#) have been shared with the HTNW in the last of these meetings and they are in agreement with the Council's proposals although acknowledge it is a matter for the Executive to agree.

IMPLICATIONS

Policy

8. There are no policy implications arising directly from the contents of this report.

Financial

9. There are no direct financial implications arising from the contents of this report.
10. Councillors will be aware that the Council provides a grant of £20,000 per annum to the HTNW towards the cost of providing a Tourist Information Service from the Pendle Heritage Centre. Whilst it is not proposed to change the amount of grant allocation at this stage, the proposed changes referred to in this report should permit the HTNW to operate the Site on a more commercial and therefore financially sustainable footing.

Legal

11. As indicated in the report, should the Executive agree to the proposed changes, it may be necessary to amend the lease with the HTNW.

Risk Management

12. There is a risk that if the HTNW are unable to make the Pendle Heritage Centre financially viable, they may surrender the lease for the site to the Council. To balance this risk against the impact of changing the grant to the HTNW in the context of the Council's own financial position, allowing the HTNW some flexibility in operating the Centre would seem to be reasonable balance.

Health and Safety:

13. There are no health and safety implications arising directly from the contents of this report.

Sustainability:

14. There are no sustainability issues arising from the contents of this report.

Community Safety:

15. As indicated above, the site may become a target for vandals and anti-social behaviour as it remains unoccupied. Security measures are in place.

Equality and Diversity:

16. There are no direct equality and diversity issues arising from the contents of this report.

APPENDICES

Appendix A – Plan of the Site

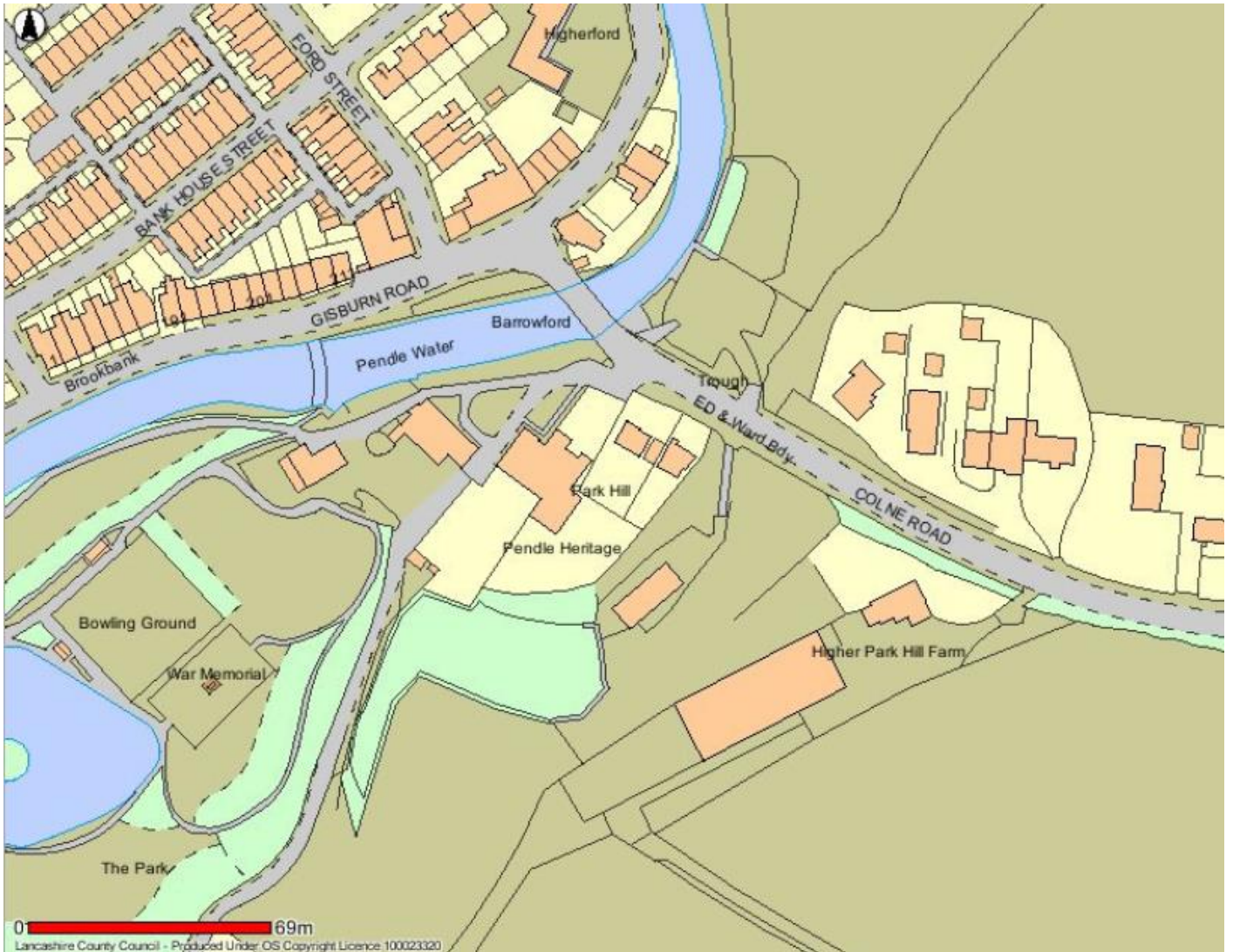
Appendix B – Heritage Trust’s Proposed Changes and Council’s proposed response

LIST OF BACKGROUND PAPERS

None

APPENDIX

Appendix A



Appendix B

Heritage Trust's Proposed Changes

1. The following proposed changes were submitted by HTNW. Commentary is provided in relation to each proposal; it is acknowledged, however, that all proposals are subject to Councillors approval.

- a) **The need to obtain a Licence to serve alcohol.**

Proposed Response: Agree – There is nothing in the Lease that would prevent the Heritage Centre applying for an Alcohol Licence (this would actually be a Premises Licence and a Personal Licence). The granting of the Licences would be a matter for the Licensing Committee.

- b) **Lifting the restrictions on sub-letting (we had an opportunity a few years ago to franchise our retail outlet which would have been very advantageous to us).**

Clause 2 (20) of the Lease contains an absolute bar on assignments underletting etc. however, the present uses of parts of the Centre as a café, book and souvenir shop, training facility, meeting room for general hire for provision of tourist information and exhibitions and displays is not a breach of this covenant.

The Council could permit sub-letting, requiring only that such sub-letting is done with the consent of the Council. This would give the Council a right to veto any unacceptable sub-letting (although it would be expected that this right would rarely be exercised).

- c) **Permission to use the buildings for other trading activities to support the non income producing activities (Museum and its Collection) (i.e. holiday accommodation, conference and meeting facilities, with the Heritage Centre being an equal rather than the predominant use).**

Proposed Response: Agree – This is linked to no. 2 above, some of these uses are already agreed in clause 2 (10) (the clause states that the HTNW is '*Not to use the premises for any purpose other than as a museum heritage education and interpretation centre.....provided always that the ancillary use of part of the premises for any of the following purposes shall not be deemed to be in breach of this sub clause; as a café, a book and souvenir shop, a training facility; a meeting room for general hire and for the provision of tourist information exhibitions and displays.* However, these uses are presently ancillary to the main use, that of being a Heritage Centre.

It is clear the Trust is seeking to change the balance between commercial and non-commercial activities to provide a more sustainable business; as indicated above, the intention would be for an equal split between these activities. In the circumstances, this would not appear too onerous to concede.

- d) **Opportunities to franchise the Tea-room if necessary and enlarge it.**

Proposed Response: Agree – This is again linked into Clause 2(10) and 2(20) which states that the HTNW is '*Not to assign, underlet, charge or otherwise part with the premises or any part thereof except only for the temporary use of parts of the premises....*'.

Again, there would appear to no reasons why this should not be permitted.

- e) **The maintenance of the entrance to the Park (lawns and roadways) and access to the Cemetery. The Trust maintains and repairs the roadways and derives no income from it.**

Proposed Response: NOT Agree – The Trust is responsible for the maintenance of the roadway by Clause 1(1) and lawns by Clause 2 (5). It is not proposed to change this obligation.

- f) **Car parking in the rear yard. This is used by the Bowling Club in afternoons and evenings throughout the summer months and by visitors at all times of day to the Park. The Trust is meeting the full cost of the maintenance and repair of the car park and deriving no income from it. The Trust wants permission to introduce a parking charge or be compensated by the Council.**

Proposed Response: NOT Agree – Clause 2 (21) requires the Trust to ensure so far as possible that visitors use the car park/s provided. By charging for parking on the Council's land would be contrary to current policy and they are likely to park elsewhere, even on the roadway or on the adjacent public highways. Therefore, it is **not** proposed to change this obligation.

- g) **The Trustees would like to acquire the freehold of the property. Bearing in mind the access arrangements for the Council, and the public generally to the Park and Cemetery the Trust would need some long term endowment or management agreement from the Council to look after this in perpetuity.**

Proposed Response: NOT Agree – The Trust has indicated that it will be establishing the Pendle Heritage Centre Trust (PHCT) which will be a subsidiary charity of the Heritage Trust for the North West. All Members of the new Trust will be Pendle-based people. This will be done to separate the activities of the Heritage Centre from the rest of the HTNW.

HTNW would like the freehold of the property to be transferred to this newly established Trust (assumed to mean at no cost to them). Current Government policy as part of the localism agenda would appear to encourage asset transfer to communities.

If this was the case, the Council would have no enforceable interest in the site apart from, presumably, covenanting the access rights that are already in place as part of the sale and any other statutory/regulatory obligations purely as a local authority. The key issue arising from the transfer of the freehold is, therefore, how the Council ensures that the buildings are safeguarded from falling into disrepair or used in a manner not considered (by the Council) as appropriate.

HTNW has indicated that Councillors could be appointed as Trustees to the newly formed PHCT although it is not known what the full Membership of the Charity would be and therefore what, if any, right of veto Councillors might have on the Board.

Alongside the request to transfer, HTNW have indicated a need for a '*long term endowment or management agreement*'. In view of the Council's general financial position, and recognising the grant paid to the HTNW already, it is not proposed to provide any additional funding.

Without further details of HTNW's intentions on this matter, and acknowledging Councillors reluctance to dispose of the freehold of the property, it is not proposed to accede to this request.

- h) **The Trust owns the freehold of the main car park, which is used by visitors to the Park and particularly walkers. The Trust has considered introducing a car park charge, but this will derive more vehicles onto Colne Road.**

Proposed Response: The Council to work with HTNW on a solution to their parking issues. The Council has no involvement with this car park but it is clear that the availability of the car parking is important to the use of the Heritage Centre (as well as being used by others for, say, walking). It is assumed that the Council does not wish visitors to park their cars along Colne Road.

There is currently no limit on the length of time cars can be parked in the car park. Whilst there is no compulsory charge for using the car park, the HTNW do ask for a donation from users. The HTNW has asked whether the Council would be willing manage the car park albeit with the

intention of introducing charges for parking. The HTNW see this both as an income generator but also a way of regularising the use of the car park.

APPENDIX