

SHEFFIELD CITY COUNCIL

**Economic and Environmental Wellbeing Scrutiny and Policy Development
Committee**

Meeting held 24 June 2015

PRESENT: Councillors Bob Johnson (Chair), Ian Auckland (Deputy Chair), Lewis Dagnall, Neale Gibson, Julie Gledhill, Helen Mirfin-Boukouris, Joe Otten, Ray Satur, Steve Wilson, Paul Wood, Denise Reaney (Substitute Member) and Jack Scott (Substitute Member)

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1. APOLOGIES FOR ABSENCE

1.1 Apologies for absence were received from Councillor Gill Furniss, with Councillor Jack Scott attending as her substitute; Councillor Martin Smith, with Councillor Denise Reaney attending as his substitute; Councillor Ibrar Hussain and Councillor Robert Murphy.

2. EXCLUSION OF PUBLIC AND PRESS

2.1 No items were identified where resolutions may be moved to exclude the public and press.

3. DECLARATIONS OF INTEREST

3.1 In relation to Agenda Item 6 (Call-in of the Cabinet Decision on The Graves Park Charitable Trust – Cobnar Cottage), Councillor Neale Gibson declared a personal interest as he was a Cabinet Adviser for Neighbourhoods but had taken no part in the decision-making process regarding Cobnar Cottage. In addition, Councillor Denise Reaney declared a personal interest in Agenda Item 6, as she had signed the petition to “oppose plans by the Sheffield Labour Council to sell off Cobnar Cottage.”

4. PUBLIC QUESTIONS AND PETITIONS

4.1 There were no public questions asked or petitions submitted from members of the public.

5. CALL-IN OF THE CABINET DECISION ON THE GRAVES PARK CHARITABLE TRUST - COBNAR COTTAGE

5.1 The Committee considered the decision of the Cabinet, acting as Charity Trustees, made on 18th March 2015, to delegate authority to the Director of Legal and Governance to make an application to the Charity Commission for a scheme to give the Trustee the power to dispose of the freehold interest in Cobnar Cottage and to invest the resulting capital receipt in improving the facilities in Graves Park.

5.2 Signatories

The Lead Signatory to the call-in was Councillor Ian Auckland and the other signatories were Councillors Steve Ayris, Joe Otten, Denise Reaney and Richard Shaw.

5.3 Reasons for the Call-in

The signatories had confirmed that they wished to scrutinise the decision to consider alternative proposals for Cobnar Cottage and/or land and to consider if such proposals better advanced the objects of the Charity.

5.4 Attendees

- Councillor Isobel Bowler (Cabinet Member for Neighbourhoods)
- Councillor Steve Ayris (Signatory to the Call-in)
- Paul Billington (Director of Culture and Environment)
- David Sellars (Service Manager, Legal Services (Commercial Property))

5.5 Paul Billington, Director of Culture and Environment, referred the Committee to the circulated report which had been presented to Cabinet on 18th March 2015, and provided a brief history of events leading to this meeting. He explained that, in making the decision, the Cabinet was acting as Trustee of the Graves Park Charity and that any sale of Cobnar Cottage would only be used for residential purposes. Furthermore, any sale was estimated to generate a capital receipt of approximately £80,000, with the possibility that this could create matched funding to be invested in improving Graves Park. The cottage was not part of the publicly accessible Park and only covered 0.04% of the total Park area. He felt that the Trustees had considered all available options and that the decision best served the interest of the Charity. Paul Billington went on to confirm that there were no covenants restricting the sale of the cottage but that the Trustees would need to seek the permission of the Charity Commission by means of a request for a scheme allowing this. He emphasised that all proceeds would have to be used for the benefit of the Park and that the cottage could only be used for residential use. He also considered that the Friends of Graves Park (FOGP) had endeavoured to make this issue a political one, using the 'thin end of the wedge' argument. This had had no influence on the Trustees, but he felt that it had distorted some of the information received by an uncommitted public. It was intended that some consultation would take place, which would be independent of the Council and FOGP. He went on to inform the Committee that the Charity Commissioners had expressed concerns about the political aspects of the FOGP campaign and concluded by stating that he considered that the Trustees had made the right decision, which was in the best interests of the Park and its users and the Charity.

5.6 Councillor Isobel Bowler, Cabinet Member for Neighbourhoods, considered that the Director's comments were an accurate reflection of the situation and emphasised that consideration had been given to the previous recommendations of this Committee and that the FOGP had been given a 12 month period to develop their own proposals for the cottage.

- 5.7 Councillor Ian Auckland addressed the Committee as Lead Signatory, first making it clear that he was not a member of the FOGP group and that that group was separate from any political campaign. He stated that, since 1998, all of the Labour Trustees had tried to dispose of parts of Graves Park and felt that the 'thin end of the wedge' argument was accurate. However, there could not be any disposal of any permanent endowment without an appropriate scheme being in place. In the case of Chantry Cottage, the Charity Commissioners had come down in favour of retaining the land and, in this case, he felt that it was wrong to dispose of the land due to its historic setting and amenity value. It was estimated that for the Trustees to restore the cottage would cost between £7,000 and £14,000 and, in the light of this, he considered that it was appropriate for the Trustees to talk to the FOGP about their proposals which were at no cost to the Council. Cobnar Cottage had been neglected for a number of years, but he regarded the leaking pipes as only a minor peril which was an insurable loss and that the large excess which the Council carried would not apply due to it being classed as a house. Councillor Auckland went on to state that he had been told by the Council's Director of Finance that, if the insurance fund paid out, then individual Directorates would have to pay these sums back. He considered it to be important that something was done about the neglect of Cobnar Cottage and felt that the Trustees should be taking this up with Kier and Sheffield Homes. In conclusion, he stated that the estimated £80,000 capital receipt would have been more like £200,000 had the cottage been kept in good condition and felt that this loss needed to be recovered and that the Trustees should seek to do this.
- 5.8 In response, Paul Billington confirmed that nothing had been done to proceed with any sale of Cobnar Cottage since the Cabinet meeting on 18th March 2015, as it was now clear that a scheme authorised by the Charity Commissioners was required. Any conversations he had had with the Charity Commissioners had related to the politicisation of the issue. He emphasised that everything flowed from the best interest of the Graves Park Charity and that these were best served by disposing of what was 0.04% of the Park. He emphasised that, because a scheme was required, then the Council would not be the ultimate arbiter and that the proposals would be considered by the Charity Commissioners who would make any decision. In relation to the insurance aspect, Paul Billington acknowledged that the water leaks were regarded as a minor peril, but that any insurance would only cover against a major peril. Furthermore, any monies used to restore the cottage would ultimately be at the expense of funding for Graves Park. He did not consider that the cottage had any amenity value and confirmed that any capital sums received would be accrued to the Graves Park Charity. Restoration of the cottage would cost in excess of £100,000, with the possibility of only achieving about £110 per week in rent. It did not make meaningful sense to do anything with the cottage, other than dispose of it and invest the proceeds in Graves Park.
- 5.9 Councillor Isobel Bowler emphasised that the cottage could not be classed as a Council house, it had merely been managed by Sheffield Homes, and that different Council administrations had overseen this. She also highlighted the fact that, if the sale did not proceed, then the cost would be the loss of the capital receipt which would be invested in the Park.

5.10 Questions from Members of the Committee

Members made various comments and asked a number of questions, to which responses were provided as follows:-

- The repair costs estimate of over £100,000 had been prepared by Kier.
- The potential rental income of £110 per week, if the cottage was restored, was based on a social rent.
- There was no express need for a memorial garden in the Park.
- The £80,000 estimated capital receipt could double with matched funding and could be spent on cricket and tennis facilities, public toilets, footpaths and the animal farm.
- Graves Park was seen as a city park in view of its size, sports facilities and the animal farm.
- It was important that the public consultation sought the views of the wider population, so that the voice of the silent majority could be heard.
- The real value of the cottage was in its sale and any investment in it would be at the expense of spending on facilities in the Park.
- The FOGP group was aware of this meeting but its members had not been available to attend.
- Meetings had been held with the FOGP group, so that the position was clear. It was felt that members of the group would have attended if they felt it was essential.
- The decision of the Trustees meant that any monies raised could not be invested elsewhere.
- Members of the FOGP group had attended the Cabinet meeting in March at which the decision was made.
- The proposal was not the 'thin end of the wedge' and there were no proposals for any further sales, but it could not be said that there would never be any such proposals.
- It should be borne in mind that the Trustees were required to act in the best interests of the Charity and that any future proposals would have to be implemented through a scheme approved by the Charity Commissioners.
- The Cabinet had made the decision regarding Cobnar Cottage as Trustees of the Graves Park Charity.

- All options had been considered, but the Charity had no capital funds to invest, so officers had been asked to see if the cottage could be brought back into use, but there were issues of funding and administration. The FOGP group had been given time to come up with viable alternative proposals and had proposed that the cottage be demolished and a memorial garden created. However, the group was unable to indicate any confirmed or in principle funding. Furthermore, a memorial garden would also require ongoing maintenance.
- If the cottage was sold, a covenant would be imposed to restrict future use to residential purposes only.

5.11 In summing up, Councillor Ian Auckland remarked that it had taken six years to come to a decision as to whether the cottage was tenatable or not, and that there had been a loss to the Charity of a substantial capital receipt due to the Council's failure to take reasonable precautions for its maintenance. The FOGP group had come up with a proposal at no cost to the Council and he suggested that this be reconsidered.

5.12 RESOLVED: That the Committee:

- (a) notes the contents of the report together with the comments made and the responses provided;
- (b) notes the decision of the Cabinet, made on 18th March 2015, to delegate authority to the Director of Legal and Governance to make an application to the Charity Commission for a scheme to give the Trustee the power to dispose of the freehold interest in Cobnar Cottage and to invest the capital receipt in improving the facilities in Graves Park; and
- (c) recommends that no action be taken in relation to the call-in decision.

(NOTE: Prior to the passing of the above resolution, an alternative motion was moved by Councillor Ian Auckland and seconded by Councillor Denise Reaney, namely that:-

"The Committee refers the decision back to the Cabinet, acting as Trustee of the Graves Park Charity, to:-

- (a) reconsider the viability of the Friends of Graves Park proposals at no cost to the Charity and/or Council;
- (b) reconsider if restoration of Cobnar Cottage could be in the interest of the Graves Park Charity, retaining the land; and
- (c) take the advice of the Monitoring Officer as to whether the existing decision-making process demonstrates the required degree of independence."

This alternative motion was put to the vote and negated.)

6. DATE OF NEXT MEETING

- 6.1 It was noted that the next meeting of the Committee would be held on a date to be confirmed.