



DERBY CITY COUNCIL

**COUNCIL CABINET
5 SEPTEMBER 2006**

ITEM 21

Report of the Cabinet Member for Housing Management

St Helen's House

SUMMARY

- 1.1 The Council has now received St Helen's House Trust's proposals, together with bids from private developers.
- 1.2 Of the two valid bids from private developers, one proposes to convert the main buildings into a high quality hotel, with enabling development on the corner of Edward Street/King Street, the other proposes commercial use with similar enabling development. As expected at this stage, these bids contain limited detail. However, both bidders have previous experience of refurbishing listed buildings and bringing them back into use. One of the bids has a small financial element.
- 1.3 St Helen's House Trust has employed specialist consultants to carry out a more detailed feasibility study for the use and restoration of St Helen's House. The study concludes that the most viable use would be hospitality use – conferencing, banqueting, seminars, meetings and receptions, together with the possibility of some community use. The study suggests enabling development has to take place as well as disposals of all the buildings within the site other than the House itself. This is a significant departure from the position the Trust has adopted previously.
- 1.4 There are a number of issues which need to be clarified within the Trust's proposals. I am due to meet representatives of the Trust on 4 September. I will inform members of the results of the meeting but I suspect we will need to seek more clarification of their proposals. It certainly would not appear reasonable to expect the two private developers to wait any longer to learn of the outcome of their bids.
- 1.5 Each of the three interested parties will require a period of exclusivity to develop their proposals further. A speedy decision needs to be made on which proposal offers the best opportunity to secure the future of St Helen's House.
- 1.6 Subject to any issues raised at the meeting with the Trust or at this meeting, I support the following recommendation.

RECOMMENDATION

- 2 To consider the response from the Trust and determine how to progress the matter.

REASONS FOR RECOMMENDATION

- 3 There is a need to progress this project quickly
- to inform the private developer bidders, whose bids were received in April
 - to move the project forward. The property has been empty for more than two years, continues to deteriorate and be vulnerable to vandalism. The Council continue to incur running and maintenance costs



St Helen's House

SUPPORTING INFORMATION

- 1.1 At its meeting on 8 November 2005, Cabinet confirmed its decision of 18 October 2005 that the site should be marketed for disposal but to also ask the Director of Corporate Services to prepare documentation stating that in the event of St Helen's House being sold, the Council would underwrite costs incurred in the feasibility study carried out by the St Helen's House Trust, Derby (the Trust) up to a maximum of £50,000.
- 1.2 Sales particulars were drawn up for St Helen's House and bids sought for the long leasehold interest with a closing date for offers of 21 April 2006.
- 1.3 In parallel, St Helen's House Trust appointed consultants to develop their more detailed feasibility study. The Council received this on 6 July.

Bids received

- 1.4 Following two viewing days, 12 expressions of interest were shown and three offers received. One offer was not acceptable as it did not meet the special conditions detailed within the sales particulars.
- 1.5 Of the two other offers one proposes to convert the main buildings into a high quality hotel, with enabling development on the corner of Edward Street/King Street, the other proposes commercial use with similar enabling development. There was a small financial consideration with one of the offers. Both bids, understandably at this stage, contained limited detail. Both bidders have referred to previous projects involving listed buildings that they have completed.

St Helen's House Trust (the Trust)

- 1.6 The Trust's proposals for the restoration of St Helen's House are based upon their feasibility study 2 carried out by consultants recognised in this type of study. The study looks in detail at the potential use of the building and concludes that the most viable would be hospitality use – conferencing, banqueting, seminars, meetings and receptions, together with the possibility of some community use. The study suggests significant disposals of buildings and enabling development.

- 1.7 Whilst the Trust's proposals are understandably further advanced than those of the private sector bidders there are a number of issues which need to be clarified. A meeting is arranged with the Trust for 4 September to discuss these issues.

Way Forward

- 1.8 All parties will seek a period of exclusivity to develop their proposals. A decision needs to be made on which proposal offers the best opportunity to secure the future of St Helen's House.
- 1.9 Following the meeting with the Trust, their responses to issues raised will need further consideration before a decision on how to proceed is taken. There is, however, a need to progress this issue as quickly as possible:
- St Helen's House has been vacant for more than two years, with the potential for further deterioration and vandalism
 - The Council continues to incur the costs of maintaining the property
 - The developers who submitted bids will require a decision so that they can 'move on'.

For more information contact:	Chris Edwards 01332 255070 e-mail chris.edwards@derby.co.uk
Background papers:	Proposals submitted - Exempt
List of appendices:	Appendix 1 – Implications

IMPLICATIONS

Financial

- 1.1 The Trust's study is believed to have cost £18 000 to date.
- 1.2 One of the private developer's bid includes a small financial consideration.

Legal

- 2.1 None directly arising.

Personnel

- 3.1 None.

Equalities impact

- 4.1 None.

Corporate priorities

- 5. The proposal furthers the priority of working towards **improving the quality of life in Derby's neighbourhoods** and the key outcome of reinvigorating the city centre and river areas.