

**OUTLINE OF MANAGEMENT OPTIONS FOR THE FUTURE**

**(i) Sale/transfer of asset**

If Scott's Grotto were to be sold or transferred to an individual, trust or organisation who wished to keep the site open for the public, the future manager(s) of the site would require access to the specialist knowledge required for the site's maintenance and would benefit from having an interest in its history. This would not be a requirement, however, if the grotto was purchased for private use.

Local organisations (such as Ware Society), neighbours, Ware Town Council or national heritage bodies are flagged as having a potential interest in this option. However, it is notable that in their advice on the topic, Historic England state that local authorities have the power to dispose of assets at 'less than best' consideration where this would support a use that brings social, economic or environmental benefits for the area (Rolph et al, 2015).

There are a number of forms this option could take, three of which are outlined below.

**(a) *Freehold sale through open market tender***

This would rid the council of any liability, provided that buyers came forward. However, there is a risk that the site's limited potential for financial return would deter private investors and its future maintenance costs would deter smaller charitable organisations.

It may be that buyers come forward with the intention of using the grotto for private as opposed to public use. Whilst this represents a viable consideration, EHC must also be mindful of Historic England's advice that accepting the highest purchase offer is not always appropriate.

**(b) *Transfer asset to a local organisation through gifting/donation***

With the latter point in mind, it could also be possible to 'donate' the grotto to a local organisation with a vested interest in the site and a demonstrable long-term plan for its management. This would encourage a more appropriate use for the site as a local heritage attraction whilst still ridding the council of its liability. However, it may be beyond the

capacity of local organisations to fund future repairs given the grotto's low financial income.

*(c) Granting a long lease (at a 'peppercorn')*

This final option would mean that EHC maintains overall ownership of Scott's Grotto, but its day-to-day operational management would be owned by the organisation it was leased to. However, if there is doubt regarding organisations' capacity to fund repairs on the grotto, a further charge for rent (however small) would likely cause more issues. Furthermore, whilst this option presents a viable short-term solution for EHC, in the long-term the site would remain a liability of the council.

It may be that a mixture of the above options is undertaken. For example, the head lease of an asset could be taken on by a town or parish council and then sublet/licensed to a community group. Furthermore, there may be a lack of existing organisations with the capacity or interest to take on the asset, but one may emerge/evolve in response to the threat or risk of the site's closure.

The broad benefits and risks associated with the options to sell or transfer Scott's Grotto are listed in the table below:

<b>Option</b>	<b>Benefits</b>	<b>Risks</b>
<b>(a) Freehold sale through open market tender</b>	<ul style="list-style-type: none"> <li>• The grotto would no longer be a capital liability to the council</li> <li>• The grotto could be bought and owned by an organisation with an interest in sustaining the site's historic/cultural value</li> </ul>	<ul style="list-style-type: none"> <li>• Asset may not be used in the public interest (this risk is accentuated considerably if the grotto were bought for private use)</li> <li>• Organisations/trusts may be unable to raise sufficient funds (either for purchase or maintenance costs)</li> </ul>
<b>(b) Transfer asset to a local organisation through gifting/</b>	<ul style="list-style-type: none"> <li>• The grotto would no longer be a capital liability to the council</li> <li>• The grotto could be managed by a trust/organisation with an</li> </ul>	<ul style="list-style-type: none"> <li>• Small organisations who are most likely to have an interest in the grotto may have insufficient capacity to manage the</li> </ul>

<p><b>donation</b></p>	<p>interest in sustaining its future as a valued heritage asset.</p> <ul style="list-style-type: none"> <li>• Trust/organisation may stimulate new uses, attract new audiences and/or attract new sources of grants and investment capital to restore/develop the asset further</li> <li>• Communities are given the opportunity for increased involvement and engagement in their local assets, which can lead to enhanced volunteer commitment, community enterprise and risk capital to test new approaches</li> </ul>	<p>development or the running of the site</p> <ul style="list-style-type: none"> <li>• Organisations/trusts may be unable to raise sufficient funds for maintenance</li> <li>• Conflict between and within community organisations may occur</li> </ul>
<p><b>(c) Granting a long lease (at a 'peppercorn' rent)</b></p>	<ul style="list-style-type: none"> <li>• If the grotto were leased to a community organisation, the above benefits (under option b) would apply</li> </ul>	<ul style="list-style-type: none"> <li>• Likewise, the above risks apply, yet as the council would retain ownership it would be financially accountable</li> </ul>

One final comment to make about the option of transferring the asset is the possibility of doing so with a grant to cover the costs of expected maintenance or refurbishment costs. EHC has its own grant scheme, which could be explored, but Rolph et al (2015) list other potential sources of funding as follows:

- Government grants – usually be for end uses if there are economic benefits and the location has been targeted for assistance
- Lottery funds – include not just HLF, but also the Arts Council England and Big Lottery Fund
- The Architectural Heritage Fund – an important source of funding for buildings being transferred to building preservation trusts and other not-for-profit organisations in the UK

- Charitable trusts and foundations – only tend to support very specific uses
- Loans – may be available to charities from specialised institutions or banks and building societies in cases where the risks are small
- Community investment – a way of raising money from communities through the sale of shares in order to finance enterprises serving a community purpose. Unlike charitable fundraising, community investors can get their money back (subject to specific terms), and some also receive financial compensation in the form of interest on the money they invest.
- It may be possible to generate funds from the development of adjoining land (often as part of a Section 106 agreement), or by commercial development of the asset itself

**(ii) Maintain current management arrangements**

The second option to consider is maintaining the current management arrangements of the site, wherein East Herts Council would continue to own the site and manage its visitors through collaborative working with Ware Society.

*(a) Carry on as is*

On the one hand, this could mean a continuation of current practice, which would mean that the heritage value of the site would be preserved through the involvement of Ware Society and its maintenance needs would be met by EHC. However, it would continue to be a capital liability for the council and the site's economic and cultural value would not be maximised.

*(b) Enhance touristic potential*

On the other hand, more could be done within the current management arrangements to enhance the number and experience of visitors to the grotto.

Whilst there are a number of barriers to developing the site into a commercial venture (as listed earlier), the most promising option in this regard would possibly be to emphasise the educational value of the site. For example, an educational liaison officer could be employed to undertake outreach work with schools and youth organisations and organise more tours and events. However, this would require significant extra resources from EHC.

Overall, the benefits and risks of maintaining current management arrangements are listed overleaf:

<b>Option</b>	<b>Benefits</b>	<b>Risk</b>
<b>(a) Carry on as is</b>	<ul style="list-style-type: none"> <li>• EHC has an established budget for maintenance and repairs</li> <li>• Ware Society have demonstrated commitment to maintaining and showcasing the value of the grotto as a heritage asset in Ware for the past few years and will likely continue to do so</li> </ul>	<ul style="list-style-type: none"> <li>• The grotto would continue to represent a capital liability for the council</li> <li>• Ware Society are constrained by EHC with regards to pursuing any of their own ideas for enhancing the site's economic and cultural value</li> </ul>
<b>(b) Enhance touristic potential</b>	<ul style="list-style-type: none"> <li>• If EHC decided to invest in educational outreach, the site could contribute to local history and schooling</li> </ul>	<ul style="list-style-type: none"> <li>• EHC does not have an officer dedicated to heritage, therefore does not have the expertise or drive to explore further touristic enhancements</li> <li>• Would require extra resources from the council</li> </ul>

### (iii) Close the site and restrict access

The final option worth considering is closing the grotto completely and restricting all access to the site. This may be an unpopular option, but would save EHC a considerable sum of money:

Benefits	Risks
<ul style="list-style-type: none"> <li>EHC would save considerable amounts of money in both maintenance costs and in getting a condition survey completed. These savings could then be used to improve other important services</li> </ul>	<ul style="list-style-type: none"> <li>It would likely be an unpopular option amongst members of the public and Ware Society, who have invested a lot of time and energy in the site and value the grotto as an important cultural and historical asset</li> </ul>

### OPTIONS APPRAISAL

An options appraisal was undertaken to assess in more detail the risks and benefits associated with each option. This is a subjective, quantitative analysis of each option according to five measures: revenue cost, capital cost, value for community, political priority and financial risk.

Each of these measures was graded from one to five, where one represents the worst option and five the best option. The total score for each is calculated in the final column.

Option	Cost		Value for community	Political priority	Financial Risk (for EHC)	Total
	Revenue	Capital				
Freehold sale through open market tender	5	4	2	2	5	18
Transfer asset through gifting/donation	4	2	5	4	5	20
Granting a long lease (at a	4	2	5	3	3	17

<b>peppercorn)</b>						
<b>Carry on as is</b>	2	3	3	3	3	14
<b>Enhance touristic potential</b>	1	2	5	4	2	14
<b>Close site and restrict access</b>	5	5	1	1	5	17

Transferring the asset through gifting/donation comes out as the best option, closely followed by freehold sale through open market tender. However, both of these options are dependent on a 'buyer' coming forward, and past consultation suggests that this is unlikely.