

CYNGOR SIR POWYS COUNTY COUNCIL.

PORTFOLIO HOLDER DELEGATED DECISION

By

County Councillor Rosemarie Harris

(Portfolio Holder for Property, Building and Housing)

and

County Councillor Graham Brown

(Portfolio Holder for Commissioning and Procurement)

March 2017

REPORT AUTHOR: David Pritchard Valuer

**SUBJECT: Freehold Community Asset Transfer of Northside
Community Hall Newtown**

REPORT FOR: Decision

1.0 Summary

1.1 This report outlines the proposal to complete a freehold Community Asset transfer to Newtown Town Council of Northside Community Hall Newtown. The Town Council have leased the property since 1978 at a rental of £1 per annum. A Plan of the site can be found in Appendix 1.

2.0 Proposal

2.1 Discussions with Newtown Town Council have been taking place with regards a possible freehold transfer of the asset to them for a nominal £1 consideration. If the transfer takes place the Town Council intends to continue to manage the buildings for community use.

2.2 The Policy outlined in the Corporate Asset Policy (CAP) Part 5 Community Asset Transfer (CAT) has been adopted and followed in this case. The Town Council's completed an Expression of Interest (EOI) see Appendix 2 and this has been supported by The Strategic Asset Board (SAB).

2.5 As the proposed CAT is linked to protecting a community provision a Business Case is not always required. In this case the service lead (Leisure and Recreation) have demonstrated and provided a written undertaking that the application is deemed sustainable and fits in with the One Powys Plan.

2.6 As the request was for a freehold transfer, an independent market valuation was commissioned. The District Valuation Service reported an unrestricted market value of £50,000 (fifty thousand pounds) and a value of £35,000 (thirty five thousand pounds) based on it being sold

subject to a covenant that the building shall be appropriately maintained and used for community use.

- 2.7 Following Cabinet approval (C159-2015) the Portfolio Holder for Property, Buildings and Housing can now agree Community Asset Transfer where the market value of an individual asset is up to a threshold of £75,000 subject to the Ward Member being supportive of the transfer. Hence Portfolio Holder approval being sought in this case.
- 2.8 The Capital and Financial Planning Accountant comments in 10.1 refer to current carrying amounts as recorded by the statutory asset valuations. The Capital Accountant is required to recognise a loss/gain as appropriate on any capital disposal and this loss is included in the year end Statement of Accounts.
- 2.9 The asset valuation has a valuation date of 2016 and relates to the existing use value of the site. It does not relate to the current market value as confirmed by the District Valuation Service's current report.

3.0 One Powys Plan

- 3.1 The proposed transfer would retain the property for community use and ensure the ongoing upkeep and sustainability of this asset.

4.0 Options Considered/Available

- 4.1 Option 1
Proceed with the freehold transfer to the Town Council for £1 allowing them to continue to operate them for existing community use with a restrictive covenant requiring the buildings to be used for community use only in the future. Should the Town Council wish to sell the building in the future, they will first be required to offer it back to the County Council
- 4.2 Option 2
Proceed with the freehold transfer to the Town Council for £1 allowing them to continue to operate them as existing with no covenant.

5.0 Preferred Choice and Reasons

- 5.1 The preferred choice is Option 1 a transfer of the freehold ownership to the Town Council, which offers the best opportunity for the sustainability of the site and secures its long term future in the existing use whilst protecting the County Council as regards its future use and option to re purchase should the Town Council wish to dispose of the asset in the future.

6.0 Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc

6.1 The preferred option is considered to be the best option to sustain the future of the property and its existing use as a community asset. The Town Council has clearly demonstrated in the EOI the intention to continue the buildings existing use.

7.0 Children and Young People's Impact Statement - Safeguarding and Wellbeing

7.1 It is not considered that this proposal has an affect.

8.0 Local Member(s)

8.1 Cllr Gemma Bowker has confirmed her support for the recommendation.

9.0 Other Front Line Services

9.1 It is not considered that the proposal has implication for other frontline services.

10.0 Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

10.1 The Capital and Financial Planning Accountant supports the recommendation to transfer the asset to the Town Council. The property has a net book value at 31st March 2016 of £40,425. The transfer will record a loss in the Statement of Accounts and this will be charged against the unusable reserves.

10.2 The Professional Lead-Legal has no comment to make on the proposal itself as it meets the general terms and conditions required for CAT disposal.

10.3 The Professional Lead for Strategic Property supports the proposal.

11.0 Local Service Board/Partnerships/Stakeholders etc

11.1 It is not considered that the proposal has implications

12.0 Corporate Communications

12.1 Communications Manager Comments: No action required.

13.0 Statutory Officers

- 13.1 The Strategic Director Resources (S151 Officer) notes the comments made by Finance and that the 'loss' will be against the unusable reserves.
- 13.2 The Deputy Monitoring Officer notes the legal comment and has nothing further to add.

14.0 Members' Interests

- 14.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the portfolio holder has an interest they should declare it, complete the relevant notification form and refer the matter to Cabinet for decision.

15.0 Future Status of the Report

- 15.1 Members are invited to consider the future status of this report and whether it can be made available to the press and public either immediately following the meeting or at some specified point in the future.

Recommendation:	Reason for Recommendation:
<p>The Portfolio Holders agree to forego a potential capital receipt of £50,000 for the freehold of the Northside Community Hall in Newtown as shown edged red on the attached Plan and instead agree to transfer the property to Newtown Town Council for £1 each provided that :-</p> <p>(a) a covenant be contained in the transfer ensuring that the site is maintained and used for community use only.</p> <p>(b) a clause be inserted into the transfer protecting the County Council in the event that at some future date Newtown Town Council should wish to dispose of the site, the Town Council must first offer the County Council the opportunity to transfer each site back for the original consideration of £1 but subject to an allowance to reflect the value of any</p>	<p>In the interests of good Asset Management and to sustain the future use of a community asset.</p>

<p>significant capital improvements undertaken by the Newtown Town Council during their period of ownership.</p>	
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Relevant Policy (ies):	Corporate Asset Policy		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Gemma Bowker

Person(s) To Implement Decision:	David Pritchard
Date By When Decision To Be Implemented:	asap

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Background Papers used to prepare Report:

Office File