

**CYNGOR SIR POWYS COUNTY COUNCIL.**

**PORTFOLIO HOLDER DELEGATED DECISION**

**By**

**County Councillor Darren Mayor**

**(Portfolio Holder for Property, Buildings and Assets)**

**and**

**County Councillor Graham Brown**

**(Portfolio Holder for Commissioning and Procurement)**

**March 2016**

**REPORT AUTHOR: David Pritchard Valuer**

**SUBJECT: Community Asset Transfer of the freehold of Builth Wells Bowling Club and Knighton Bowling Club**

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**REPORT FOR: Decision**

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**1.0 Summary**

**1.1** This report deals with the sites at both Builth Wells Bowling Club and Knighton Bowling Club which both comprise of a club house/pavilion and green bowls the sites are currently vested in the Council's Recreation and Countryside Services. The properties are identified on the Plans at Appendix 1. This Report seeks to adopt the principles of a previous Cabinet approval with regard to the freehold transfer of Brecon Bowling Club under a Community Asset Transfer (CAT).

**2.0 Proposal**

**2.1** Both Builth Wells and Knighton Bowling Clubs wish to secure the freehold of the sites which they have occupied for many years and secure the future of the site as bowling venues for future generations.

**2.2** The Policy outlined in the Corporate Asset Policy (CAP) Part 5 Community Asset Transfer (CAT) has been adopted and followed in these cases. The Clubs have both completed Expression of Interests (EOI) see Appendix 2. This has been supported by the reviewing Officers Working Group.

**2.3** As the proposed CATs are linked to protecting service provision a Business Case (a formal Council template) is not always required. In these cases the service lead (Countryside and Recreation) have demonstrated and provided a written undertaking (Appendix 3) that the application is deemed sustainable and fits in with the One Plan.

- 2.4 As the request is for a freehold transfer in each case, independent market valuations were commissioned. The District Valuation Service reported a current market valuation of £20,000 (twenty thousand pounds) for Builth Bowling Club and £20,000 (twenty thousand pounds) for Knighton Bowling Club based on the sites being sold subject to a covenants that each would be appropriately maintained and used as a community facilities. Knighton Bowling Club has been on the site since 1933 under successive leases whilst Builth Wells Bowls Club has been on this site since 1923, a site which is zoned in planning terms as community/public space as well as being on a flood zone.
- 2.5 The Clubs have requested the transfer of the freehold of the property for a nominal £10. This follows on from Cabinet approval to transfer the freehold of Brecon Bowling Club (C252-2014) for £10 a transfer that has now been successfully completed.
- 2.6 Following Cabinet approval (C159-2015) the Portfolio Holder for Property, Buildings and Housing can now agree Community Asset Transfer where the market value of the asset is up to a threshold of £75,000 subject to the Ward Member being supportive of the transfer. Hence Portfolio Holder approvals being sought is this case.
- 2.7 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.
- 2.8 The valuation undertaken for Builth Wells Bowling Club has a valuation date of 2010 and the valuation undertaken for Knighton Bowling Club has a valuation date of 2012. They do not relate to current market values as confirmed by the District Valuation Service's current report.
- 2.9 The basis of assessing valuations for specialist assets such as bowling clubs (where there is no market comparable evidence) is by using the alternative valuation bases of depreciated replacement costs (DRC) or Existing Use Value (EUV).
- 2.10 DRC valuations are based on the capital cost of replacing the asset less an assessment for elements of obsolescence such as physical and economic etc. It is a mechanism of arriving at a value and records cost of replacement and not market value. On this basis it is not unusual to see significant differences between carrying amount and ultimate sales figures especially as in the case of Builth the pavilion is a relatively modern building.

- 2.11 In the case of Knighton Bowling Club the valuation undertaken in 2012 was on the basis of its then existing use and took account the existence of the lease that was in place at that time and the nominal rental received against landlord responsibilities to carry out maintenance.
- 2.12 The Countryside and Recreation Service has also confirmed that revenue savings of at least £12,000 per year will be achieved this is before any ongoing general maintenance for the Builth sports pavilion is added on.

### **3.0 One Plan**

- 3.1 A priority of the One Plan is to “remodel Council services to respond to reduced funding” which this proposal supports. It also helps to “support people within the community to live fulfilled lives” through the provision of leisure services.
- 3.2 The proposed transfers would retain the properties for community use and the freehold transfers will allow the Clubs to seek sources of external funding to further develop both facilities.

### **4.0 Options Considered/Available**

- 4.1 Option 1  
Proceed with the Freehold transfer to Builth Wells Bowling Club and Knighton Bowling Club at a consideration of £10 each allowing them to secure bowling on the site and develop facilities further.

Option 2  
Proceed with the request but refuse to transfer the freehold at less than the reported market value of £20,000 for Builth Wells Bowling Club and £20,000 for Knighton Bowling Club.

Option 3  
Refuse the request for a freehold CAT which will result in the continuation of the use of the site under the existing arrangements. Given the Services budgets cuts this would result in a reduction of maintenance and grass cutting.

### **5.0 Preferred Choice and Reasons**

- 5.1 The preferred choice is as detailed in Option 1 a transfer of ownership to Builth Wells Bowling Club and Knighton Bowling Club of their respective sites, which offers the best opportunity for the sustainability of the sites and secures their long terms future as community assets. Members should note that a potential capital receipt totalling £40,000 will be given up by this option.

## **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 each site in their existing use as community assets. Both Bowling Clubs have demonstrated through their existing management and in the EOI that they are an established and competent constituted group.

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

- 7.1 Not considered relevant.

## **8.0 Local Member(s)**

- 8.1 Cllr Avril York Member for Builth Wells supports the proposal.
- 8.2 Cllr Peter Medlicott Member for Knighton comments 'I am delighted that the Club has decided to proceed with this and as stated in the application, it will ensure the continuation of the Club for the future and be run locally. I wish the Club every success for the future'.

## **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, BPU)**

- 10.1 The Capital and Financial Planning Accountant comments that the carrying value of the Builth Wells Bowling Club is currently £271,271.85 before the 2015 valuation. This asset may record a £271,261.85 loss to the authority. The carrying value of Knighton Bowling Club is currently £3,720.01. This asset may be a loss to the authority of £3,710.01.
- 10.2 The Legal Services support the recommended proposal and will assist and support where required.
- 10.3 The Senior Manager Regeneration and Corporate Property comments that the Authority will forego potential capital receipt if it chooses to transfer at £10. The decision is for members to balance supporting

further this community cause verses the need to identify capital receipts.

#### **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 Comment: No proactive communications action required.

#### **13.0 Statutory Officers**

13.1 The Strategic Director Resources (S151 Officer) notes the comments made by finance. It is also noted that this is in line with the CAT policy.

13.2 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report."

#### **14.0 Members' Interests**

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

<b>Recommendation:</b>	<b>Reason for Recommendation:</b>
<b>1.The Portfolio Holder agrees to forego potential capital receipt of £20,000 for the freehold of the Builth Wells Bowling Club site as shown edged red on the attached Plan and to transfer the property to Builth Wells Bowling Club for £10 provided that:-</b>  <b>i. A covenant be contained in the transfer ensuring that the site is maintained and used for community use.</b>  <b>ii. A clause be inserted in the transfer protecting the County Council that in the event that at some future date Builth Wells Bowling Club wish to dispose of the site then Builth Wells</b>	<b>In the interests of good Asset Management and to sustain the future use of a community asset.</b>

<p><b>Bowling Club must first offer the County Council the opportunity to transfer the site back for the original consideration of £10 but subject to an allowance to reflect the value of any significant capital improvement undertaken by Builth Wells Bowing Club during their ownership.</b></p> <p><b>2. The Portfolio Holder agrees to forego a potential capital receipt of £20,000 for the freehold of the Knighton Bowling Club site as shown edged red on the attached Plan and instead agrees to transfer the property to Knighton Bowling Club for £10 provided that:-</b></p> <ul style="list-style-type: none"> <li><b>i. A covenant be contained in the transfer ensuring that the site is maintained and used for community use.</b></li> <li><b>ii. A clause be inserted in the transfer protecting the County Council that in the event that at some future date Knighton Bowling Club wish to dispose of the site then Knighton Bowling Club must first offer the County Council the opportunity to transfer the site back for the original consideration of £10 but subject to an allowance to reflect the value of any significant capital improvement undertaken by Knighton Bowing Club during their ownership.</b></li> </ul>	

<b>Relevant Policy (ies):</b>	CAP		
<b>Within Policy:</b>	Y	<b>Within Budget:</b>	Y

<b>Relevant Local Member(s):</b>	<b>Cllr Avril York and Cllr Peter Medicott</b>
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<b>Person(s) To Implement Decision:</b>	<b>David Pritchard</b>
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<b>Date By When Decision To Be Implemented:</b>	<b>asap</b>
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**Background Papers used to prepare Report:**