

CYNGOR SIR POWYS COUNTY COUNCIL.

PORTFOLIO HOLDER DELEGATED DECISION

By

**County Councillor Rosemarie Harris
(Portfolio Holder for Property, Buildings and Assets)**

and

**County Councillor Graham Brown
(Portfolio Holder for Commissioning and Procurement)**

June 2016

REPORT AUTHOR: David Pritchard Valuer

**SUBJECT: Community Asset Transfer of the freehold of sports field
at Gwernyfed Rugby Club, Talgarth**

REPORT FOR: Decision

1.0 Summary

1.1 This report deals with the existing sports field which is leased to Gwernyfed Rugby Football Club, the club have submitted an Expression of Interest to acquire the freehold of the land as identified on the Plan at Appendix 1. This Report seeks approval with regard to the freehold transfer of the land to Gwernyfed Rugby Club

2.0 Proposal

2.1 Gwernyfed Rugby Football Club wish to secure the freehold of the site which they currently occupy under a 21 year lease from 1997. The land comprises a sports pitch and training ground, there are no buildings on the land. Having used the site for many years they wish to secure the future of the site as a venue for the provision of sports for future generations and invest.

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 Club submitted an Expression of Interests (EOI) see Appendix 2. This was supported by the reviewing Officers Working Group and more recently by the Strategic Asset Board.

2.3 The proposed CAT outlined that Gwernyfed Rugby Football Club would undertake to retain the site for sports and community use and as an existing and established organisation a Business Case (a formal Council template) was not required in this case. The service lead (Countryside and Recreation) have provided a written undertaking (see

10.3) that the application is deemed sustainable and fits in with the One Plan.

- 2.4 As the request is for a freehold transfer an independent market valuations were commissioned. The District Valuation Service reported the following valuations:- unrestricted market valuation of £75,000 (seventy five thousand pounds) and £65,000 (sixty five thousand pounds) based on the site being sold subject to a covenant that the site would be appropriately maintained and used as a community sports facility.
- 2.5 Following a process of negotiations Gwernyfed Rugby Football Club have formally submitted a final offer for the freehold of the property for £55,000 (Fifty five thousand pounds) which includes an undertaking to enter into a covenant to use the land only for sporting and community use.
- 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 amount as recorded by the statutory asset valuation. 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 asset valuation undertaken for the land was undertaken in 2013 and is based on existing Use Value including the presence of tenant's improvements including floodlights. It does not relate to current market values as confirmed by the District Valuation Service's current report.
- 2.11 The Countryside and Recreation Service have confirmed foregoing the annual rental will not have an adverse effect on its remaining service provision.

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 Club to seek sources of external funding to further develop facilities on the site.

4.0 Options Considered/Available

4.1 Option 1

Proceed with the Freehold sale Gwernyfed Rugby Football Club at a consideration of £55,000 (Fifty five thousand pounds) allowing them to secure the provision of sports on the site and develop facilities further.

4.2 Option 2

Proceed with the request but refuse to transfer the freehold at less than the reported unencumbered market value of £75,000.

4.3 Option 3

Refuse the request for a freehold CAT which will result in the continuation of the use of the site under the existing lease arrangements. If this is the chosen option to satisfy the requirements of the Welsh Rugby Unions the Club plan to become a Limited Liability Partnership (LLP) and are seeking an undertaking that a new Lease is entered into with the LLP.

5.0 Preferred Choice and Reasons

5.1 The preferred choice is as detailed in Option 1 a transfer of the freehold ownership which offers the best opportunity for the sustainability of the site and secures their long terms future as community assets.

5.2 Members should note that this will result in a capital receipt of £55,000 being achieved with the loss of the annual rental receipt of £900 per annum.

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 site in their existing use as community assets. The Club 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 William Powell Member for Talgarth supports the proposal.

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 land is currently £85,000. This asset may record a £30,000 loss to the authority.
- 10.2 The Legal Services notes the proposal for the sale of this land below the market valuation. It is noted that the land has been leased to the Club for many years (not just under the terms of the current lease) and that it is and has been used by the community and not just the Club. This community use should be sustained and I see a sale in line with the proposal as a means of ensuring that continued future use. Accordingly, I would support the proposal.
- 10.3 The Senior Manager Regeneration and Corporate Property support this proposal which provides a good capital receipt for the authority.
- 10.3 The Senior Manager Leisure and Recreation fully endorses the proposed sale of the land, to Gwernyfed RFC, as this will secure the future of the rugby club and associated playing fields. This will enable the club to plan for their future and to continue and grow and flourish as an important established sports club for not only for Talgarth, but for the wider community as a whole.

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.

Recommendation:	Reason for Recommendation:
<p>1.The Portfolio Holder agrees to transfer the freehold of the sports field to Gwernyfed Rugby Football Club for £55,000 as shown edged red on the attached Plan provided that:-</p> <ul style="list-style-type: none"> i. A covenant be contained in the transfer ensuring that the site is maintained and used for community use. ii. A clause be inserted in the transfer protecting the County Council that in the event that at some future date Gwernyfed Rugby Football Club wish to dispose of the site then the Club must first offer the County Council the opportunity to transfer the site back for the original consideration of £55,000 but subject to an allowance to reflect the value of any significant capital improvement undertaken by Gwernyfed Rugby Football Club during their ownership. iii. In the event that the Club gains planning consent for a more beneficial use the County Council will receives a 50% share of any uplift value. 	<p>In the interests of good Asset Management and to sustain the future use of a community asset.</p>

Relevant Policy (ies):	CAP		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	Cllr Williams Powell
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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: