

Report presented to District Executive – 5th July 2012

No. Commercial Property Disposals

Executive Portfolio Holder: Councillor Tim Carroll
Strategic Director: Mark Williams, Chief Executive Officer
Assistant Director: Donna Parham, Corporate and Financial Services
Lead Officers: Diane Layzell, Senior Land & Property Officer
Contact Details: diane.layzell@southsomerset.gov.uk, 01935 462058

Purpose of the Report

The purpose of this report is to recommend that District Executive agree to the transfer of the former Winsham Band Hut and neighbouring allotment site to the Parish Council at less than best consideration.

Public Interest

Since October 1973 Winsham Band Committee has held the lease over the land on which the Band Hut sits, within the Winsham Allotment Site adjacent to Bakersfield. Unfortunately due to dwindling member numbers the property is now falling into disrepair and has been subject to occasional vandalism. The lease conditions are very specific as to what the Band committee are obligated to do in order to surrender their lease. As a result the Committee have been reluctant to relinquish the lease. After working closely with the Band Committee and the Parish Council, SSDC has now received a Community Asset Transfer, from the Parish Council, for the freehold transfer of the Band Hut and the neighbouring allotment site. The transfer of this District owned site to the Parish Council will result in the Band Hut being brought back into use for local community groups as well as giving the Parish Council greater control over the use of the allotments for the local community.

Recommendations

That District Executive approve:

1. the freehold transfer of the former Winsham Band Hut and neighbouring allotment site at Bakersfield, Winsham to the Parish Council at less than best consideration
2. the Parish Council will be responsible for all legal and professional costs incurred as a result of this transaction

Background

Since October 1973 the Winsham Band have leased the land on which their hut now sits but due to dwindling membership numbers the hut is rarely used and the Band would like to relinquish their lease. Unfortunately the conditions of the lease are very specific, onerous and costly for the Band Committee to surrender the lease. The Band no longer has the resources or means in which to comply with these conditions. They have, therefore, continued with the lease until they could locate another group to take over the lease and the building repairs. During the Committees search the property has fallen into disrepair and has also been subject to minor vandalism, due to its remote location. Locally there is a need to see this property brought back into use and remove the potential of further vandalism.

The Hall is situated in the centre of the allotment site with a parking area to the front, a plan is attached showing the entire site. The site houses 7 large allotment plots, which generate an annual income of approximately £175.00. The only maintenance responsibility for SSDC relates to the trimming of a 20-foot hedge as the responsibility of the walkways and remaining hedges fall to the individual allotment holders.

There are several local groups who would like to take over the occupation of the Hut but not in its current condition. Due to the Community benefit of this site being in local control, the Parish Council have submitted a Community Asset Transfer request for the freehold of the entire site.

Report

Within the comprehensive spending review greater emphasis is being placed on Councils to ensure their assets are delivering value for money. The Assistant Director, Corporate and Financial Services, in conjunction with the Portfolio Holders for Asset Management and Property and Climate Change, see no strategic reason for SSDC to retain the freehold of either the land on which the Band hut sits or the allotment site.

The Land and Property team administer the allotment site and the income received is approximately £175.00 per annum. The Band Hut is leased on a peppercorn rent and there are no liabilities for SSDC with regard to the property and its maintenance.

There is local interest to use the Band Hut but not in its current condition. The Parish Council have now submitted a Community Asset transfer request for the entire site. The application requests the freehold transfer of the entire site with the Hut in its current condition. By doing so, the Parish Council will inherit the repair conditions of the former Band lease and will undertake local fund raising and grant applications to achieve this. There is a large hedge, which separates the site from the Highway, the maintenance responsibility of this hedge will also be passed to the Parish Council.

The transfer of the entire site to the Parish Council will give a greater local control and influence over the Huts future and the allotment lettings.

The District Valuer has valued the site, with continued use of the allotments and bringing the hut back into use for community groups, at £20,000 with the recommendation that the transfer should be on a leasehold basis. Unfortunately, in order to secure the funds needed to bring the hut back into a good state of repair, the Parish Council have requested a freehold transfer of the site. A long lease was suggested and considered by the Parish Council but they feel this will be detrimental to their fund raising attempts.

A restrictive covenant will be placed on the land to ensure the site is retained for allotments and a community hall/hut/facility, or an uplift consideration will be payable to the District Council.

The Area West Community Regeneration Officer and local Ward Member are in support of the freehold transfer.

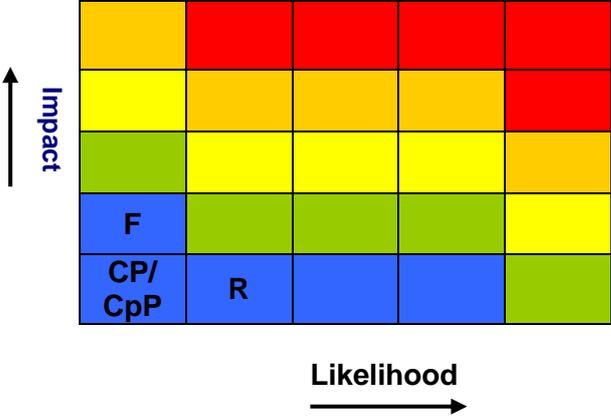
Financial Implications

If Members agree to the freehold transfer of the Winsham Band Hut and Allotment site, at less than best consideration, SSDC would be foregoing £175.00 per annum of rental income and the capital receipt. Disposal at market value would have resulted in a capital receipt of approximately £20,000, which could have been invested to earn interest of £600 per annum or allocated to fund other capital schemes.

Loss of income will be absorbed in current budgets and the same will apply to the periodic hedge maintenance.

Further financial details are attached in the asset sale disposal form.

Risk Matrix



Key

Categories	Colours (for further detail please refer to Risk management strategy)
R = Reputation	Red = High impact and high probability
CpP = Corporate Plan Priorities	Orange = Major impact and major probability
CP = Community Priorities	Yellow = Moderate impact and moderate probability
CY = Capacity	Green = Minor impact and minor probability
F = Financial	Blue = Insignificant impact and insignificant probability

Corporate Priority Implications:-

Delivering Well-Managed Cost Effective Services.

- Provide even better value for money from our services

Carbon Emissions & Adapting to Climate Change Implications (NI188)

None

Equality and Diversity Implications

The site will be transferred to the Parish Council who have local groups wanting and needing space. The Band Hut will meet this local need and bring a currently disused property back into use. As the Parish Council are keen to see the allotments occupied by Winsham residents this should become a community site for the benefits of all the residents in Winsham.

Background Papers: District Valuers report



ASSET SALE APPRAISAL FORM - ONE

Section 1

Name of Asset to be Sold	Project No.
<p>Asset to be disposed of:-</p> <p>Winsham band hut and neighbouring allotment site, TA20 4JN</p> <p>Lead Officer:</p> <p>Diane Layzell, Senior Land and Property Officer</p>	

Section 2

Reason for Sale	
<p>There is no strategic need for retention by SSSC and this sale passes the site into local control and management</p> <p>Meets Corporate Priority:</p> <ul style="list-style-type: none"> • Deliver well managed cost effective services valued by our customers 	

Section 3

Income From Sale	
Gross Income from Sale	£ 1.00
Less Cost of Sale e.g. valuation fee	£ 0
Net Income (cost)	£ 1.00

Section 4

Loss of Rental or Other Income						
	Mgmt Code	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £
Rental Income		175	175	175	175	175
Other Income		Nil	Nil	Nil	Nil	Nil

Section 5

Savings in Costs (annual)	
<p>No works or repairs needed</p>	

Section 6

Savings in Costs - one off (i.e. urgent major repairs required)	
	None

Section 7

Financial Analysis – Revenue						
	2012/13 £	2013/14 £	2014/15 £	2015/16 £	2016/17 £	
Interest from receipt	(0)	(0)	(0)	(0)	(0)	
Loss of Income	175	0	0	0	0	
Savings in Expenses						
- Salaries						
- Repairs & Maintenance	Nil	(500)	Nil	Nil	Nil	
- Other						
Total Revenue Cost / (Net saving)	175	(325)	0	0	0	

Section 8

Scheme Evaluation by Management Team	

Section 9

Stage of Project (i.e. Feasibility)	
	N/A

Section 10

Expected Completion Date	
	It is hoped that the disposal will complete by the end of the current financial year