

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – FINANCE

Report of: Property Services Manager
Subject/Title: Transfer of the Gables, Nantwich
Date of Meeting: 13th April 2015
Portfolio Holder: Councillor Peter Raynes

1.0 Report Summary

- 1.1 The purpose of this report is to seek approval to transfer the freehold title of the property known as the Gables, Nantwich to with associated car parking to Nantwich Town Council.

2.0 Decision Requested

- 2.1 It is recommended:
- 2.2 THAT the property known as the Gables, Nantwich together with the land used for car parking shown edged red and hatched on the attached plan be sold for a consideration of £1 which is less than best consideration, to Nantwich Town Council.

3.0 Reasons for Recommendations

- 3.1 The Gables has a long association with Nantwich residents and has been used as a community venue for over 50 years, providing lunches and housing various voluntary groups.
- 3.2 The Gables use is limited now, and so moving it to more local ownership, will enable it to be better utilised, or sold as part of a local review and work to develop Community Hubs in Nantwich. A network of Community Hubs in Nantwich, will ensure that assets are sustainable and that they work together to provide the right services, in the right places, at the right times.
- 3.3 The property is currently occupied by two tenants, a Luncheon Club on the ground floor and the Citizens Advice Bureau (CAB) on the first and second floor. The CAB is moving into Nantwich Library in May 2015, leaving just the Luncheon Club. The proposal is that the Luncheon Club will remain in occupation as a tenant of Nantwich Town Council until they decide to relocate.

4.0 Wards Affected

- 4.1 Nantwich North

5.0 Local Ward Members

- 5.1 Councillor Arthur Moran
Councillor Penny Butterill

6.0 Policy Implications including - Carbon reduction - Health

- 6.1 N/A

7.0 Financial Implications

- 7.1. The Council proposes to forego the capital receipt in this instance to support the promotion of well being as outlined herein and to create savings.

8.0 Legal Implications (Authorised by the Borough Solicitor)

- 8.1 The Localism Act 2011 introduced the General Power of Competence, which allows the Council to do anything an individual can do, provided it is not prohibited by other legislation. These powers have replaced the previous wellbeing powers, however, the use of these powers must be in support of a reasonable and accountable decision made in line with public law principles.
- 8.2 The General Disposal Consent 2003 authorises the disposal of land for 7 years or more at less than best consideration if the undervalue is £2million or less, if the undervalue is higher than £2million consent to the disposal is required from the Secretary of State. A certificate of best consideration will be required.
- 8.3 Notwithstanding the above powers the Council has a fiduciary duty to the taxpayers and must fulfil this duty in a way which is accountable to local people.
- 8.4 All disposals must comply with the European Commission's State aid rules. When disposing of land at less than best consideration the Council is providing a subsidy to the occupier of the land. In such cases the Council must ensure that the nature and the amount of the subsidy complies with State aid rules, failure to comply means that the aid is unlawful and may result in the benefit being recovered with interest from the recipient. If the occupier receives less than approximately £155,000 (200,000 Euros) in state aid over a 3 year period then the De Minimis Regulation will apply (small amounts of aid are unlikely to distort competition). There will need to be a determination as to whether this is a state aid issue

9.0 Risk Management

- 9.1 N/A

10.0 Background

- 10.1 The Gables (edged red on plan below) is a former Crewe and Nantwich Borough Council Asset which has been used for a mix of community and office use for many years.
- 10.2 The property comprises a three storey character property with 1 car parking space attached to the rear. There is also additional land included for which is a small additional car park.
- 10.3 The property has a value in the region of £240,000 - £280,000, and the car park £25,000- £30,000 so the Councils wellbeing powers will be used as best consideration will not be achieved.
- 10.4 The transfer will include a covenant that the property is restricted to community use only on the proposed and any subsequent transfer and a claw back for any sale will be linked to community benefit. Any sale proceeds to be re-invested in the Civic Centre as part of a Community Hub for Nantwich.
- 10.5 It is understood that as a former private residence the property was gifted to the community and that Rotary funds were made available to support the building. As a consequence of this, and perhaps as the result of changes of responsibility for the building to the then local authority, various individuals and trustees groups have believed that a covenant was placed to ensure that the proceeds of any subsequent sale of The Gables would be reinvested for the benefit of the local community in Nantwich. As a Residents First Council it is therefore important that the transfer ensures that the asset delivers community benefit. Therefore, the transfer will include a clawback clause so that any sale proceeds are reinvested for community benefit. The transfer will state that sale proceeds are to be invested into the Civic Centre, as part of the development of the Nantwich Community Hub, and that this is available to the community of Nantwich at preferential rates.

11.0 Access to Information

The background papers relating to this report can be inspected by contacting the report writer:

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