

CHESHIRE EAST COUNCIL

Cabinet Member for Prosperity and Economic Regeneration

Date of Meeting: 5th November 2012
Report of: Assets Manager
Subject/Title: Bowling Facilities, Cranage
Portfolio Holder: Councillor Jamie Macrae

1.0 Report Summary

- 1.1 The purpose of this report is to consider the transfer of the bowling facilities located in Cranage to Cranage Parish Council plus associated legacy funding to Cranage Parish Council.

2.0 Recommendations

- 2.1 That the Cabinet Member for Prosperity and Economic Regeneration approve
- (1) the transfer of the bowling facilities located off Byley Lane/Needham Drive, Cranage to Cranage Parish Council by a 25 year lease at a peppercorn rent which lease imposes all maintenance, management and financial responsibility for the facilities on the tenant and restricts their use to bowling, recreational and complementary uses on terms and conditions to be determined by the Assets Manager, Streetscape and Bereavement Manager, Director of Finance and Business Services and Borough Solicitor; and
- (2) the payment of existing associated legacy funding to the Parish Council out of the existing reserve held by the Council to enable improvements and repairs to the premises within a timeframe to be agreed by the Assets Manager subject to the Parish Council completing an under-lease of the bowling facilities to The Good Companions Bowling Club for a term of not less than 5 years.

3.0 Reasons for Recommendations

- 3.1 To enable the Parish Council to the manage the facility on a local basis and to undertake necessary improvements as required to the pavilion through the use of the existing reserve currently held by Cheshire East Council.
- 3.2 To relinquish Cheshire East Council of all management and financial liabilities for the facility for the duration of the lease.

4.0 Wards Affected

- 4.1 .Dane Valley

5.0 Local Ward Members

Councillor L Gilbert
Councillor A Kolker

6.0 Policy Implications (including carbon reduction and health)

6.1 None

7.0 Financial Implications (authorised by Director of Finance and Business Services)

7.1 With regard to the transfer of the available reserve of £18,000, the Parish Council will be required to use the funding within a specified period and demonstrate the manner of the spend which must enable improvements and repairs to the premises. Should the funding not be spent within the agreed time period then it will be necessary to return any unspent monies.

8.0 Legal Implications (authorised by Borough Solicitor)

8.1 The land must be sold in accordance with the obligation in section 123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable.

8.2 Under the terms of the proposed 25 year lease the Parish Council will be liable for all management and financial responsibilities thus the suggested peppercorn rent is considered by the Assets Manager to fulfill the necessary best consideration requirements.

8.3 In transferring assets the Council must behave prudentially to fulfill its fiduciary duty.

8.4 The payment of the £18,000 to the Parish Council should not cause any State aid difficulties to the Council as the Parish Council does not operate as an “undertaking” on the commercial markets and is not in competition with other unsubsidized undertakings. It is a pre-requisite to the finding of State aid that the aid beneficiary is an “undertaking”. The Parish Council itself is capable of granting State aid to third parties via the use of the property or the £18,000 but this should not be the Council’s concern. Given the amount of aid the Parish Council may give the “de minimis” State aid block exemption (EUR200,000) is likely to apply in any event provided the aid beneficiary/ies have not been/ will not be in receipt of significant aid from other sources.

9.0 Risk Management Implications

9.1 Through the transfer of the facility the Parish Council will be responsible for all maintenance, management and cost liabilities.

10.0 Background and Options

- 10.1 In August 2002 the Congleton Borough Council took ownership of a large area of public open space off Needham Drive, Cranage from Wainhomes Limited and as a part of the area the Council also took ownership of a bowling green and pavilion. The said bowling green and pavilion had previously been a part of the Cranage Hospital complex which was partially demolished to accommodate residential development.
- 10.2 The green and pavilion were then and continue to be utilised by the Good Companions Bowling Club without any formal documentation from either the Council or the previous owners of the land. It is understood that the Club commenced use the facilities following eviction from their former site (now the McCarthy Stone Development in Holmes Chapel.) It is understood that the Club expended money received from their surrender of the site to bring the green and pavilion back into reasonable use after standing idle for a number of years.
- 10.3 Since the Council took ownership of the green and pavilion it has only undertaken emergency maintenance work to the pavilion and minor works to the green. All other costs including services are understood to be borne by the Club.
- 10.4 The bowling pavilion is in a very poor state of repair and cannot be reasonably considered to be fit for purpose.
- 10.5 In March 2009 Congleton Borough Council allocated a capital sum of £20,000 towards the improvement of the Pavilion. The budget was intended to act as a lever to enable the Club to bid for match funding to undertake significant improvements/rebuilding of the Pavilion. The level of reserve currently available is approximately £18,000 following the deduction of costs and fees associated with the planning permission detailed below.
- 10.6 In 2010 CEC Asset Management, working in cooperation with the Club gained a planning permission to replace the existing timber Pavilion with a new brick built structure. Cost estimates of £50,000 for the replacement facility were received from a Quantity Surveyor.
- 10.7 The Club believed that they had a Contractor who could provide the facility at a cost of £30,000 subject to confirmation of the required specification. The Club considered that they had the ability to raise the balance of monies.
- 10.8 It was agreed with the Club that the Council would advertise for expressions of interest in tendering for the said work on 'the chest' and the aforementioned Contractor would have the opportunity to bid with other approved Contractors. Unfortunately the said Contractor did not progress the necessary documentation and thus no bid was received. In the knowledge that the necessary finance was not available at the level of anticipated costs detailed by the Quantity Surveyor this route of procurement was not progressed further.

- 10.9 Provisional heads of Terms have now been agreed with the Club to formalise their occupation of the facilities.
- 10.10 The Club are still eager to improve the facilities and have provided further costs estimates from two contractors to undertake the improvement of the facilities in accordance with the Planning Permission.
- 10.11 Following meetings with Club Representatives and Members of Cranage and Holmes Chapel Parish Councils to discuss the manner in which the facilities can be improved, Cranage Parish Council have since expressed their interest in taking over the management of the bowling facilities from Cheshire East Council.
- 10.12 Discussions have been undertaken with the Parish Council and provisional terms agreed based upon those used in phase one of the transfer of assets to Town and Parish Councils. The basis of transfer being a 25 year lease at a peppercorn rent with the Parish Council taking on all repairing and insuring liabilities.
- 10.13 In addition to the usual terms of transfer the Parish Council also require the existing legacy funding from Cheshire East Council to provide the opportunity to improve the facilities. The Parish Council consider that with this budget they can work with the Bowling Club to deliver an improved, replacement facility to benefit local residents.
- 10.14 The Director of Finance and Business Support has been consulted and is supportive of the proposals to transfer the existing legacy funding to the Parish Council with the necessary safeguards regarding the nature of spend and repayment. The Streetscape and Bereavement Manager has been party to discussions on the matter and is also supportive of the transfer from a Service Delivery viewpoint.
- 10.15 Should the suggested transfer not proceed then the future provision of bowling facilities in this location will need to be fully considered.

11.0 Access to Information

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

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