

CHESHIRE EAST COUNCIL

REPORT TO PORTFOLIO HOLDER – FINANCE

Report of: Executive Director Economic Growth and Prosperity

Subject/Title: Disposal of land adjacent to Audlem Public Hall

Date of Meeting: 9 June 2015

Portfolio Holder: Councillor Peter Groves

1.0 Report Summary

- 1.1 The purpose of this report is to seek approval to transfer the freehold title of land adjacent to Audlem Public Hall (shown hatched black on the attached plan) to the Audlem Public Hall Management Committee.

2.0 Decision Requested

- 2.1 It is recommended:
- 2.2 Subject to the response to the public space advertisements referred to in 8.3, the land shown hatched black on the attached plan be sold to the Audlem Public Hall Management Committee for a consideration of £1 which is less than best consideration. Using the 2003 General Disposal Consent powers, releasing the site for the undervalue of £1, will result in an undervalue of between £3k and £5k. The social, economic and environmental benefits are to facilitate an extension to the Audlem Public Hall to provide improved facilities for the village detailed in 3.2.
- 2.3 The Transfer is based on the following terms namely that:
- The transfer will protect community use of the asset.
 - The transfer would take place for a nominal value (£1) and the Audlem Public Hall Management Committee will be wholly responsible for the service and the asset save insofar as the Council has residual legal responsibilities under contracts or legislative provisions.
 - If allowing change of use, the agreement would secure an overage payment for the Council if there is a future planning permission which enhances the value of the asset or the Audlem Public Hall Management Committee sells the asset within an 15 year period with increase in value/ proceeds of sale returning to Cheshire East.
- 2.4 The existing use has an unrestricted value which is in the region of £3,000 to £5,000 and therefore the Council proposes to forego the capital receipt in this instance to support the promotion of well being as outlined herein.

3.0 Reasons for Recommendations

- 3.1 The extent of the land owned by the Council extends to approximately 0.20 acres (or thereabouts) and is shown hatched on the attached plan for identification purposes. The land is considered surplus and does not perform an operational function for the Council.
- 3.2 Audlem Parish Council have identified the need for improved sport and recreational facilities and are proposing to extend the existing hall to provide improved facilities for the village. This will be a special purchaser arrangement.
- 3.3 The land owned by the Council is the only part of the Council's land available which could be built upon to provide the extension. The land does not perform any operational function, is not considered to be suitable for marketing for a disposal to a third party, is of minimal value and is considered a liability in terms of insurance and maintenance/repair for the Council.

4.0 Wards Affected

- 4.1 Audlem

5.0 Local Ward Members

- 5.1 Councillor Rachel Bailey

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 in relation to the costs of holding of the land.
- 7.2 The impact of the transfer to Audlem Public Hall Management Committee would have minimal financial impact on CEC budget in 15-16 as there are currently minimal operational costs.
- 7.3 Once the land has transferred, then all Repair, Maintenance, Utility and Rates become the responsibility of the Audlem Public Hall Management Committee and that they would be directly liable.

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 Council has the power to grant a lease of the land pursuant to S123 of The Local Government Act 1972 subject to any disposal for 7 years or more being at the best consideration that can reasonably be obtained. As there is open space within the land hatched black on the attached plan, then it was necessary to advertise the potential disposal of the land under the provision of the Local Government Act. The adverts have been placed in the press and the period for representations to be made (two weeks) has now passed.
- 8.3 An objection to the disposal of Public Open Space has been made. The objection is concerned with regard to the loss of public space and that it will result in the land being developed for a residential development. However, the Council is proposing to restrict the potential future use of this land within the Conveyance as well as an overage provision to ensure the Council the proceeds of any sale returns to the Council.
- 8.4 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, as in this case and subject to those powers being exercised in line with public law principles.
- 8.5 The Council has a fiduciary duty at all times to the taxpayers and must fulfil this duty in a way which is accountable to local people.
- 8.6 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).

9.0 Risk Management

- 9.1 N/A

10.0 Background

- 10.1 The extension to be built will provide (amongst other things) a new community facility for the elderly which would be run by Audlem and District Community Action (ADCA). This is required as the main elderly facility (Thornton House) has been demolished by Wulvern Housing. A recent assessment of facilities in Audlem has confirmed the lack of suitable alternative buildings to provide this service.

- 10.2 The building would provide much needed changing facilities for Audlem Football Club and would provide facilities for the village Youth Club who have currently ceased to operate due to lack of suitable facilities.
- 10.3 The building would also provide facilities for Audlem 5A Drama Group. Although the existing Public Hall is currently used for theatre productions, temporary dressing rooms and storage are used which are not suitable. The current arrangements are problematic due to the increased level of participation of children and need to comply with statutory regulations applicable to working with children. The current arrangements do not satisfy the regulations.
- 10.4 The building could also provide non clinical medical services via Audlem Medical Practice and NHS service providers for the area.
- 10.5 Audlem Public Hall Management Committee currently has a bid for funding pending. The attached letter of intent was sent last March to enable the bid process to proceed and now the transfer of the land to the Committee must take place ASAP so that the funding opportunity is not lost.

11.0 Access to Information

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

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Without Prejudice & Subject to Planning

DATE: 12th March 2014 CEBC REF: PT YOUR REF:

Dear Sirs,

RE: PROPOSED DISPOSAL OF LAND TO AUDLEM PUBLIC HALL MANAGEMENT COMMITTEE FOR PUBLIC HALL ANNEXE

I write in connection with your proposed Annexe to Audlem Public Hall onto land which is currently within the ownership of Cheshire East Council. For the avoidance of doubt the land is identified on the attached plan.

In the event that Audlem Public Hall are successful in a bid for funding to construct the annexe then Cheshire East Council is willing to transfer ownership of the land to Audlem Public Hall Management Committee (Registered Charity No.519458) for a nominal charge of £1.00 (One Pound). This offer is subject to the following conditions:-

That Audlem Public Hall agree to meet any reasonable costs incurred by Cheshire East Council in respect of the conveyance of the land.

That the annexe shall only be used to provide improved facilities for the village.

I trust the above is satisfactory and will assist you in your future bids for funding.

Yours Sincerely



Patrick Tansey
Senior Valuer
Assets & Facilities
01270 686141

For and behalf of
Cheshire East Council

All other enquiries 0300 123 5500

www.cheshireeast.gov.uk

Proposed land for Audlem Public Hall Annexe

