

Name of meeting: Cabinet
Date: 16 February 2021
Title of report: Community Asset Transfer of Honley Library, West Avenue, Honley, Holmfirth, HD9 6HF.

Purpose of report This report requests that Cabinet considers and approves the Community Asset Transfer of Honley Library, West Avenue, Honley, Holmfirth, HD9 6HF to Holme Valley Parish Council.

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd - 25.01.21
Is it also signed off by the Service Director Finance?	Eamonn Croston - 27.01.21
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft - 29.01.21
Cabinet member portfolio	Cllr Graham Turner (Corporate)

Electoral wards affected: Holme Valley North

Ward councillors consulted: Cllr Terry Lyons, Cllr Charles Greaves, Cllr Paul White

Public or private: Public

GPR - Has GDPR been considered? Yes, GDPR has been considered. The information in this report does not identify any individuals.

1. Summary

- 1.1 Honley Library is located at West Avenue, Honley, Holmfirth, Huddersfield, HD9 6HF. The freehold of the site is owned by the Council. Plan Reference 18-0091, which is attached in Appendix A, shows the boundary of the site indicated by a red line.
- 1.2 It is a purpose built single storey library building constructed in the 1930's. The building is of stone and render construction with a blue slate pitched roof and is in a good state of repair.
- 1.3 It is proposed that the freehold of Honley Library is transferred to Holme Valley Parish Council (HVPC) with the Council retaining use of the building for the library service under a hosting agreement.
- 1.4 Holme Valley Parish Council will lease the land and building to Friends of Honley Library (FOHL) and have agreed to provide the group with revenue funding to cover the running costs of the building. The grant of this lease will be subject to the terms of the Hosting agreement between the Council and Holme Valley Parish Council
- 1.5 Friends of Honley Library is a Charitable Incorporated Organisation (CIO). Since 2013 they have supported the delivery of the library service and development of the library building as a community hub.
- 1.6 Friends of Honley Library will manage the day to day running of the asset and continue to support Kirklees Library Services in the delivery of a library service.

2. Information required to take a decision

- 2.1 The Council's Community Asset Transfer Policy was revised in September 2020. The Policy continues to support groups to transfer assets from the Council at nil consideration in order to further local social, economic and environmental objectives. A copy of the Community Asset Transfer Policy is attached in Appendix B.
- 2.2 The Policy allows for assets to be transferred either through a long-term lease or, in exceptional circumstances, a freehold transfer. Both options will normally be subject to covenants that restrict the use of the asset to community use including library use. The Policy allows an element of commercial use if this is considered necessary for a successful business model. Commercial use of the asset will normally be restricted to a maximum of 30%.
- 2.3 Under the terms of the policy, applications from Parish Councils are prioritised acknowledging their democratically elected governance and representation.
- 2.4 Holme Valley Parish Council's decision to proceed with the Application for Asset Transfer was unanimously agreed at a meeting of the HVPC Community Asset Support Committee (CASC) on 11th March 2019. The CASC committee was originally established in 2015 to oversee the community asset transfer of Holmfirth Civic Hall and other assets within the Holme Valley. Holmfirth Civic Hall was transferred to Holme Valley Parish Council in 2017.
- 2.5 HVPC have submitted an application and business statement in line with the requirements of the Community Asset Transfer Policy. The application and business statement were considered and approved by officers in Corporate Landlord in consultation with relevant Council Services.

- 2.6 On completion of the asset transfer, the Parish Council will lease the asset on a full repairing and insuring lease to Friends of Honley Library, a constituted CIO, who have helped to support, maintain and develop the existing library services since 2013. The terms of the lease have yet to be determined and it may be that HVPC takes some responsibility for repairs and insurance. If there is a full repairing lease HVPC will still be able to consider making grants to the FOHL so that repairs can be afforded.
- 2.7 The Parish Council have ring-fenced a budget of £15,000 per annum for the maintenance of the building and to cover running costs. There is no time limit on this commitment and the Parish Council reviews its budget annually. In addition, a further £30,000 has been allocated in the Parish Council's 2021 - 2022 budget to support building works and repairs.
- 2.8 Friends of Honley Library have established a building sub-group specifically to handle the day to day management of the building. HVPC is represented on the Friends of Honley Library's Board of Trustees.
- 2.9 The administration and management of the building will be carried out by Friends of Honley Library (CIO) reporting to the Parish Council. The group will be responsible for the financial management of the asset and ensuring effective maintenance, safety and security of the building.
- 2.10 Friends of Honley Library will manage the library building as a community hub for the benefit of the community. Friends of Honley Library volunteers will continue to support Kirklees Library Services in the delivery of the library service.
- 2.11 In order to ensure the Council can continue to provide a library service from the building, HVPV will be required to enter into a hosting agreement with the Council. The agreement will be for a period of 5 years and include provision for the Council to terminate the agreement upon giving a minimum of three months' notice. It has been agreed with HVPC that the Council will not pay a hosting fee for the continued use of the building.

Options

- 2.12 The Council has the following options: -

a) Refuse the request for an asset transfer?

Community Asset Transfer supports council ambitions allowing local people and communities to have greater control over local assets and the services delivered from them. Holme Valley Parish Council (HVPC), as the first tier of local government, are closest to the people of the Holme Valley and play a major role in promoting the Holme Valley, representing its interests and supporting the work of different groups in the community.

For this reason, officers are of the opinion that this is not the recommended option.

b) Transfer the library either freehold or leasehold with restrictive covenants for community use with an exception of up to 30% commercial use in line with other Community Asset Transfers and in line with the Community Asset Transfer Policy

As the proposed transfer is to the Parish Council, officers are of the opinion that a freehold transfer is appropriate. The transfer will include a covenant that the building is to be used for community use. In line with previous transfers a maximum of 30% commercial activity will be permitted to support the running and long-term sustainability of the facility.

The transfer will be subject to a hosting agreement that will ensure the Council retains the ability to use the building for providing a library service.

The agreement will also allow for the Council to use Honley Library as an Electoral Polling Station if required.

Officers recommend that the Council proceed with the freehold transfer of Honley Library to Holme Valley Parish Council.

c) Transfer the library without restrictive covenants in place

Whilst this approach has not been previously adopted by the Council, it is recognised that, subject to Cabinet approval, the Community Asset Transfer Policy does allow the transfer of assets without restrictive covenants. There is however a risk that the Library could be lost as a community facility were covenants not included in the transfer.

Officers are of the opinion that this should not be the recommended option.

2.13 Valuation

Unrestricted Value

The unrestricted value is the best price reasonably obtainable for the property and should be expressed in capital terms. It is the market value of the land as currently defined by the RICS Valuation – Global Standards 2017 – VPS 4, except that it should take into account any additional amount which is or might reasonably be expected to be available from a purchaser with a special interest (a "special purchaser"). When assessing unrestricted value, the valuer must ignore the reduction in value caused by any voluntary condition imposed by the authority. In other words, unrestricted value is the amount that would be paid for the property if the voluntary condition were not imposed (or it is the value of the property subject to a lease without the restriction).

The unrestricted value of Honley Library is: £100,000

Restricted Value

The restricted value is the market value of the property having regard to the terms of the proposed transaction. It is defined in the same way as unrestricted value except that it should take into account the effect on value of any voluntary condition(s).

The restricted value of Honley Library is: £ Nil

Voluntary Conditions

A voluntary condition is any term or condition of the proposed transaction which the authority chooses to impose. It does not include any term or condition which the authority is obliged to impose, (for example, as a matter of statute), or which runs with the land. Nor does it include any term or condition relating to a matter which is a discretionary rather than a statutory duty of the authority.

The value of voluntary conditions in the proposed transaction is: £ Nil

Amount of discount given by the Council

The difference between the unrestricted value of the land to be disposed of and the consideration accepted (the restricted value plus value of any voluntary conditions).

The amount of discount in the proposed transaction is: £100,000

The Local Government Act 1972 General Disposal Consent (2003) means that specific consent of the Secretary of State is not required for the disposal of any interest in land/buildings at less than best consideration which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental wellbeing of its area.

Following their assessment, Council officers are confident that the transfer of Honley Library to Holme Valley Parish Council is likely to promote the social well-being of the Holme Valley area.

3. Implications for the Council

- **Working with People**

The proposals for the asset transfer of Honley Library have been developed in conjunction with Holme Valley Parish Council and Friends of Honley Library. Community Asset Transfers involve supporting community initiative, helping community organisations to solve their own problems. Community consultation is a key part of the asset transfer process, ensuring that the asset meets the needs of the community. Ward Members are consulted as part of the Cabinet reporting process and given opportunity to make representations on behalf of the community.

- **Working with Partners**

Partnership working is crucial to the success and sustainability of community asset transfers within Kirklees. Officers work collaboratively with the applicant group, council services and Locality, a national charity, in the development of asset transfer proposals. Locality is a national charity working with community organisations at a local level to ensure that they are strong and successful.

Groups are actively encouraged and provided with necessary support to ensure that partnership opportunities are fully explored.

- **Place Based Working**

Community Asset Transfer underpins Place Based Working, providing an opportunity for a more efficient and effective use of buildings and land currently owned by the council. It gives local people and community's greater control over local assets and the services delivered from them. It provides new opportunities to develop and improve land and buildings for local social, economic and environmental benefit.

The transfer of assets allows council resources to be directed to core essential services.

- **Climate Change and Air Quality**

Friends of Honley Library are working in partnership with the Holme Valley Parish Council Climate Change Group on a bid for a grant from the 'Bright Green Community Trust Fund' – grant funding that supports projects across the Holme Valley. It is intended that the grant funding will be used to invest in the following energy efficiency measures once the community asset transfer has been completed:

- New lighting controls
- Modern thermostats and boiler controls

- Improved roof insulation
- Improved glazing
- Any other improvements that may be identified on completion of an energy audit

These measures will contribute towards the Council's carbon reduction targets as well as reducing the overall running costs of the building.

- **Improving outcomes for children**

Community assets play a crucial role in the delivery of services to all members of the community, including young people.

The transfer of community assets can maximise their use and provide a place for children, their families, communities and services to work together to provide positive childhood experiences.

- **Other (e.g Legal/Financial or Human Resources)**

The transfer will provide a revenue saving to the Council of the running costs of the building. Based on 2018/19 expenditure the saving would be £11,774.

- **Integrated Impact Assessment (IIA)**

An IIA has been completed and is attached at Appendix C. This indicates that a stage 2 assessment is not required.

4. **Consultees and their opinions**

Ward member comments

Cllr Charles Greaves

Happy to support this application and I agree with the officer recommendation for the second option to have a commercial limit at 30%.

Cllr Terry Lyons

I fully support the proposed Community Asset Transfer of Honley Library which is scheduled to be considered by Cabinet on 16th February 2021.

Cllr Paul White

Along with my colleagues I'm in full support of this CAT.

Holme Valley Parish Council and Friends of Honley Library

We note that Cllr Greaves, one of the Councillors for Holme Valley North, has given his agreement to your paper and prefers the option that gives the HVPC a 30% margin for commercial use, option B in your paper. We agree with that option.

5. **Next steps and timelines**

- 5.1 Subject to Cabinet approval, Officers will complete negotiations and agree terms of the transfer and instruct the Service Director - Legal, Governance and Commissioning to enter into and execute the transfer.

6. Officer recommendations and reasons

Members are requested to:

- 6.1 Approve the freehold transfer by the Council of Honley Library to Holme Valley Parish Council for nil consideration, the transfer to include a covenant that the building is to be used for community use (including library use) only with an exception of up to 30% of permitted commercial use in line with the Community Asset Transfer Policy and previous asset transfers.
- 6.2 The transfer to Holme Valley Parish Council is subject to (i) the Parish Council entering into a hosting Agreement with the Council to provide for the Council's Library Service to use Honley Library for providing a library service and (ii) the Parish Council entering into a polling station agreement which gives the Council the right to use the Honley Library for electoral services.
- 6.3 Members are requested to delegate authority to the Service Director – Economy and Skills to negotiate and finalise the Heads of Terms for the freehold transfer of Honley Library to Holme Valley Parish Council and associated hosting agreement and polling station agreement.
- 6.4 Authority be delegated to the Service Director – Legal Governance and Commissioning to enter into and execute all necessary documentation in connection with the freehold transfer of Honley Library to Holme Valley Parish Council and the supporting hosting agreement and polling station agreement.

7. Cabinet portfolio holder's recommendations

I welcome this asset transfer to Holme Valley Parish council.

It's been some time in getting to this position for a variety of reasons, but I now believe that the time is right for this to progress.

This community asset transfer will I am sure be a great success and will join the list of the many successful transfers we have done over the last few years.

Asset transfers give communities the chance to develop community capacity and ensure that the needs of the community are at the heart of the buildings we transfer.

This transfer is also an excellent example of place-based working, and how working with partners like the Parish council and local community's residents can take ownership of a much loved building.

I support option B as set out in this report, and would like to thank all those officers and Cllrs and residents for the time and effort they have committed over a number of years in enabling us to get to this point, I am confident this transfer will be a huge success.

I therefore recommend that Cabinet support the officer recommendations set out above and that:

Authority be delegated to the Service Director – Legal and Governance to enter into and execute all necessary documentation in connection with the freehold transfer of Honley Library to Holme Valley Parish Council and the supporting hosting agreement and polling station agreement.

8. Contact officer

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9. Background Papers and History of Decisions

Appendix A - Red Line Boundary plan (Ref. 18 0091)

Appendix B - Community Asset Transfer Policy 2020

Appendix C - Integrated Impact Assessment

10. Service Director responsible

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