

Name of meeting: Cabinet

v8

Date: 25<sup>th</sup> August 2015

Title of report: Freehold Asset Transfer of the Public toilets situate on  
 Towngate, Holmfirth to the Holme Valley Parish Council

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
Is it in the <a href="#">Council's Forward Plan?</a>	No
Is it eligible for call in by <a href="#">Scrutiny?</a>	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman – 31 July 2015
Is it signed off by the Director of Resources?	David Smith – 10 August 2015
Is it signed off by the Assistant Director - Legal & Governance?	Julie Muscroft – 10 August 2015
Cabinet member <a href="#">portfolio</a>	Cllr Graham Turner

Electoral [wards](#) affected: Holme Valley South

Ward councillors consulted: Cllr Kenneth Sims, Cllr Nigel Patrick & Cllr Donald Firth

Public or private: Public

## **1. Purpose of report**

- 1.1 This report sets out the proposal to transfer the land and toilets which currently make up The Public toilets situate on Towngate, Holmfirth, to the Holme Valley Parish Council

## **2. Key points**

### **Proposal**

- 2.1 The proposal is for the building and land of the Public toilets situate on Towngate, Holmfirth to be transferred to the Holme Valley Parish Council, on a freehold transfer.
- 2.2 The conditions of the freehold sale will include covenants to ensure that the majority of the building is restricted to community use only. The transfer will state that 70% of the floor area of the building is to be used for community use only but Holme Valley Parish Council will have the right to grant a single lease of the remaining 30% of the floor area for a commercial use (subject to planning). This will allow Holme Valley Parish Council to raise funds to contribute to the running of the toilets.

### **Background**

- 2.3 The Holme Valley Parish Council expressed interest in the toilets when Kirklees Council considered the future options for Public toilets situate on Towngate, Holmfirth. The Holme Valley Parish Council expressed interest in managing the toilets for use as public toilets on behalf of the council to ensure the continuation of the toilets within the community. The Holme Valley Parish Council was offered a short term full repairing and insuring lease as an interim arrangement in November 2014 with a view to the full freehold transfer of the toilets.
- 2.4 The Group have been running and managing the building since November 2014, and they have maintained a full repair and insure lease.
- 2.6 The Holme valley Parish Council has submitted a brief application for the transfer of the toilets. This has been assessed by the Facilities Management Team and the Council are confident that the group are a strong organisation and are capable of managing the toilets on a freehold basis.

### **Asset Transfer**

- 2.8 The Quirk Review (Community Management and Ownership of Public Assets) of 2007 brought about a fundamental change in the way that Local Authorities viewed ownership of property within their areas. The Empowering Communities White Paper of 2008, "Communities in Control – Real People / Real Power", further cements the government's commitment to double devolution - taking power from Whitehall through Local Authorities and directly to communities, placing toilets in the control of the community.

Community Asset Transfer involves transferring the ownership of land or buildings from a statutory body to a community organisation at 'less than best consideration' – that is, at less than its full market value – in order to further local social, economic and/or environmental objectives.

- 2.9 The Asset Advancement Policy was developed in response to the Quirk review and subsequent localism agenda, and approved by Cabinet 8 October 2013. The policy allows for assets to be transferred either through long term leases or freehold transfer. The transfer will state that 70% of the floor area of the building is to be used for community use only but Holme Valley Parish Council will have the right to grant a single lease of the remaining 30% of the floor area for a commercial use (subject to planning).
- 2.10 The proposed asset transfer route, subject to Cabinet approval, is to transfer the toilets and land on a freehold basis to the Holme Valley Parish Council at nil cost.

### **Valuation and Discount**

#### 2.12 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 Red Book (Practice Statement 3.2), 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 Holmfirth Toilets is £120,000 (One hundred and twenty thousand pounds)**

#### 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 Holmfirth Toilets is £0 (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 £0 (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 £120,000 (One hundred and twenty thousand pounds)**

In respect of *Local Government Act 1972 general disposal consents (England 2003) disposing of land for less than best consideration that can be reasonably obtained* the transaction does not require the Council to seek specific consent from the Secretary of State as the difference between unrestricted value of land to be disposed of and the consideration accepted is £2,000,000 or less.

### **Revenue Costs**

- 2.12 The current building running costs are nil because the Holme Valley Parish Council have been maintaining a full repair and insure lease since November 2014.
- 2.13 Prior to leasing to Holme Valley Parish Council the annual running costs were:
- £30k staff costs
  - £20k premise costs (including a £10k contract for the healthmatic “superloo”)

Expenditure was partially offset by a £6k income p.a.

### **3. Implications for the Council**

- 3.1 The Holme Village Residents Association has been assessed by the Facilities Management Team and the Council are confident that the group are a strong organisation and are capable of managing the toilets on a freehold basis.
- 3.2 The Local Government Act 1972 General Disposal Consent means that specific consent is not required for the disposal of any interest in land/toilets at less than best consideration which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Officers consider that the transfer of these toilets to Holme Valley Residents Association will be likely to contribute to the economic social and environmental well-being of Holme Village because it will mean that as a consequence public toilets will be likely to continue to be provided.

### **4. Consultees and their opinions**

- 4.1 The Holme Valley Parish Council regularly consult with the local community regarding their needs. When the group took on the lease in November 2014, they carried out a substantial community consultation with regards to the community’s need for the toilets; this consultation was supported by the local Ward Councillors.

## **5. Officer recommendations and reasons**

- 5.1 Members are requested to authorise the Council to transfer the freehold of Public toilets situate on Towngate, Holmfirth to the Holme Valley Parish Council for no premium/no consideration and to include covenants to ensure that Public toilets situate on Towngate, Holmfirth is a building that is available for community use only. The transfer will state that 70% of the floor area of the building is to be used for community use only but Holme Valley Parish Council will have the right to grant a single lease of the remaining 30% of the floor area for a commercial use (subject to planning).
- 5.2 Members are requested to delegate to the Assistant Director for Physical Resources and Procurement, and Assistant Director for Legal Governance & Monitoring, authority to negotiate and agree the terms of the freehold transfer that relate to the transfer of the Public toilets situate on Towngate, Holmfirth to the Holme Valley Parish Council.

## **6. Cabinet portfolio holder's recommendations**

- 6.1 Portfolio Holders on Monday 27th July 2015 recommended that the transfer for the freehold The Public toilets situate on Towngate, Holmfirth, to the Holme Valley Parish Council for no premium/no consideration and to include restrictive covenants, should proceed to full cabinet for approval. The transfer will state that 70% of the floor area of the building is to be used for community use only but Holme Valley Parish Council will have the right to grant a single lease of the remaining 30% of the floor area for a commercial use (subject to planning).
- 6.2 Portfolio Holders on Monday 27<sup>th</sup> July 2015 recommended that the Assistant Director of Physical Resources and Procurement and Assistant Director Legal Governance & Monitoring should have delegated authority to negotiate and agree the terms of the freehold transfer that relate to the transfer of the Public toilets situate on Towngate, Holmfirth, to the Holme Valley Parish Council.

## **7. Next Steps**

- 7.1 Officers from Physical Resources and Procurement will complete negotiations and agree terms of the transfer for the asset transfer to take place.

## **8. Contact officer and relevant papers**

Mark Gregory, Head of Corporate Landlord  
[mark.gregory@kirklees.gov.uk](mailto:mark.gregory@kirklees.gov.uk)

Jonathan Quarmby, Corporate Facilities Manager  
[Jonathan.quarmby@kirklees.gov.uk](mailto:Jonathan.quarmby@kirklees.gov.uk)

## **9. Assistant director responsible**

Joanne Bartholomew - Assistant Director, Physical Resources & Procurement