

Name of meeting: Cabinet

v8

Date: 25th August 2015

Title of report: Freehold Asset Transfer of the Public Toilets on the South east side of the village Holme, Holmfirth to the Holme Village Residents Association

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 Council's Forward Plan?	No
Is it eligible for call in by Scrutiny?	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 portfolio	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 on the South east side of the Village Holme, Holmfirth, to the Holme Village Residents Association with the use restricted for community use.

2. Key points

Proposal

- 2.1 The proposal is for the building and land that make up the Public Toilets on the South east side of the village Holme to be transferred to the Holme Village Residents Association, on a freehold transfer.
- 2.2 The conditions of the freehold will include covenants to ensure that Public Toilets on the South east side of the Village Holme is a building that is available for community use only.

Background

- 2.3 The Holme Village Residents Association originated when Kirklees Council considered the future options for Public Toilets on the South east side of the Village Holme. The Holme Village Residents Association was established, to allow a vehicle for asset transfer. The group is made up of members of the local community. The Holme Village Residents Association 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 Village Residents Association was offered a short term full repairing and insuring lease as an interim arrangement in July 2014 with a view to the full freehold transfer of the toilets.
- 2.4 The Group have been running and managing the building since January 2012, and they have maintained a full repair and insure lease.
- 2.6 The Holme Village Residents Association 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 not only to third sector organisations but also to Town and parish Councils. As part of the transfer, use will be restricted to community use.
- 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 Village Residents Association at nil cost.

Valuation and Discount

2.11 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 Holme Toilets is £20,000 (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 Holme 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 £20,000 (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 Village Residents Association have been maintaining a full repair and insure lease since July 2014.
- 2.13 The estimated running costs in 2013-14 were £1214 made up of:
 - £554 rates
 - £190 water
 - £120 electricity
 - £350 repair

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 Village Residents Association regularly consult with the local community regarding the toilets. When the group took on the lease in July 2014, they carried out a substantial community consultation with regards to the community's need for the toilets, and also to attract volunteers to assist with running 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 on the South east side of the Village Holme to the Holme Village Residents Association for no premium/no consideration and to include covenants to ensure that Public Toilets on the South east side of the Village Holme is a building that is available for community use only.
- 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 on the South east side of the Village Holme to the Holme Village Residents Association.

6. Cabinet portfolio holder's recommendations

- 6.1 Portfolio Holders on Monday 27th July 2015 recommended that the transfer for the freehold Public Toilets on the South east side of the Village Holme to the Holme Village Residents Association with the use restricted for community use for no premium/no should proceed to Cabinet for approval.
- 6.2 Portfolio Holders on Monday 27th 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 Public Toilets on the South east side of the Village Holme to the Holme Village Residents Association.

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

Jonathan Quarmby, Corporate Facilities Manager
Jonathan.quarmby@kirklees.gov.uk

9. Assistant director responsible

Joanne Bartholomew - Assistant Director, Physical Resources & Procurement