

# Agenda Item

**Executive Board**

**14 July 2010**

**10/0007**



## **Transfer of land at Chambers Close, Sidmouth to Sidmouth Town Council for Community Centre**

### **Exempt Information**

Para 3 Schedule 12A information relating to the finance or business affairs of any particular person

### **Summary**

The proposal is for EDDC to transfer the freehold title of a 0.418 Ha (1.03 acre) site at Chambers Close, Sidmouth to Sidmouth Town Council to facilitate the construction of a new community centre by Devon County Council, in partnership with EDDC and the Primary Care Trust

### **Recommendation**

**To agree to the transfer of 0.418 Ha of land at Chambers Close, Sidmouth to Sidmouth Town Council at nil consideration for the construction of a community centre on the terms set out in the report**

#### **a) Reasons for Recommendation**

To facilitate the construction of a new community centre to serve the Stowford Rise community

#### **b) Alternative Options**

Not to agree to the transfer of this site to Sidmouth Town Council, but to retain ownership of the land and new community centre.

#### **c) Risk Considerations**

If the land is not transferred at nil consideration then it is likely that the community centre will not be built, as it is unlikely that this council will wish to retain responsibility for managing the facility.

#### **d) Policy and Budgetary Considerations**

A policy that audits the transfer of property assets to town and parish councils at nil consideration is established with delegated powers granted to the Chief Executive Officer and Portfolio Holder for Resources. The undervalue of this transaction is approximately £175,000.

#### **Positive Impact Overall**

Young People.

Meeting our Diversity and Equality duties.

#### **e) Date for Review of Decision**

Not applicable

## **1 Main Body of the Report**

- 1.1 Funding has been made available for the construction of a new community centre on EDDC owned land at Chambers Close, Sidmouth, partly through sect 106 funding, and funding from DCC , the Devon PCT, and Sidmouth Town Council.
- 1.2 It is proposed that the completed land and buildings will be transferred, freehold, to Sidmouth Town Council subject to a 125 year head lease to trustees of the Stowford Rise Community Centre (as authorised by the Executive Board at its meeting of 3rd December 2008 - min 131) and a 50 year sub-lease of part to DCC (to be used by the children's and young people's service) and 25 year sub-lease of a further part to the Devon PCT.
- 1.3 As the proposal is to transfer the land at **nil** consideration it is a requirement (under the Local Government Act 1970) that a land transfer at less than 'Best Value' be reported to the Council.
- 1.4 The District Valuer has recently reported upon the value of the adjoining ACF/ATC site and therefore the value of the 0.418 Ha (1.03 acre) community centre site (at a pro rata rate) is considered to be £175,000
- 1.5 As this sum is below the £250,000 threshold for SDLT (stamp duty land tax) no tax will be payable, however SDLT would be payable if the land and community centre building were to be transferred in one transaction.
- 1.6 As this site is scheduled as 'community land' it will be necessary for the disposal to be advertised for two consecutive weeks in the local press and for any objections to be taken into consideration by the Council.

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## **Legal Implications**

The District Council are not proposing to contribute in any way to this development other than provision of the land which has always been designated as land for a Community Centre. In the circumstances it would appear appropriate that the land is transferred on a freehold basis subject to restrictive covenants. This land might well be deemed as public open space and subject to the usual statutory advertisement along with the adjoining land to transfer to WAVR in exchange for the Drill Hall

Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained sets out the framework under which the council may agree to dispose at less than market value. The body of the report identifies the undervalue at £175,000. The terms of the Consent mean that specific consent by the Secretary of State is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Where applicable, authorities should also have regard to their community strategy.

## **Financial Implications**

The loss of the capital receipt of £175,000 needs to be offset against the advantage of a community centre being developed for use of the local residents. £2,800 has been spent on architects fees relating to this project which has been funded from S.106 funds.

## **Consultation on Reports to the Executive**

This matter has been through extensive consultation and various council committees. The Development Committee has passed a resolution to grant planning permission subject to the submission of an ecological report.

## **Background Papers**

- ❑ Plan of community centre site at Chambers Close
- ❑ Minute 131 of Executive Board meeting of 3 December 2008
- ❑ Copy of Asset Management report of 23 March 2009

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