

Agenda Item 18

Executive Board

5 January 2011

11/0001



Site for proposed Honiton Community Centre

Exempt Information

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

Summary

Following a report to the Executive Board meeting of 1st September 2010 officers have been working with Honiton Town Council to investigate possible alternative sites in Honiton that may be suitable for a community centre. This report sets out the findings and concludes there is no alternative site available in the town to deliver the community aspirations for the community centre.

Recommendation

- i) That the committee considers the findings of the Corporate Director and agrees that after carrying out extensive investigations at alternative sites, the originally proposed Lace Walk long stay car park site is the preferred site.
- ii) That, subject to the granting of planning permission and the letting of a building contract, the 0.114 Ha site at the Lace Walk long stay car park be transferred to Honiton Town Council at less than 'Best Value' than might reasonably be obtainable in the open market.

a) Reasons for Recommendation

To facilitate the construction of a new Community Centre to serve the Honiton community

b) Alternative Options

Not to agree to the transfer of this site to Honiton Town Council, but to retain ownership of the land and new community centre, or not to proceed with the construction of a new community centre at this or any other location.

An option is for Honiton Town Council to undertake to cover the loss of income currently derived from the car park, namely, £11,737pa. It would be possible to apply an agreed approach to increases in income over an agreed period, e.g. 20 years.

c) Risk Considerations

If the land is not transferred at nil consideration then it is likely that the community centre will not be built, and it is also 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 'under value' of this transaction is assessed at £117,000. The transfer of this site will involve the loss of 39 long stay parking spaces with the resultant loss of revenue of £11,736 per annum (at 2009/10 income figures).

The Council has given a commitment to the Honiton Town Council to contribute a capital sum of £333,000 towards the build cost.

Positive Impact Overall

Young People.

Meeting our Diversity and Equality duties.

Providing more service at same cost.

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 Lace Walk long stay car park, Honiton, partly through a capital contribution of £333,000 from the District Council; £500,000 Section 106 funding, with the balance of approximately £1,000,000 funding being met by Honiton Town Council.
- 1.2 The estimated construction cost for the community hall is £1,800,000.
- 1.3 The report to the Executive Board meeting of 14th July 2010 proposed that the site be transferred, freehold at nil consideration, to Honiton Town Council (as authorised by the Executive Board at its meeting of 27 November 2002 – min 119 (2))
- 1.4 The Executive Board resolved that ***'the land at the Lace Walk car park be not transferred to Honiton Town Council, but that Honiton Town Council be urged to seek an alternative site for the community centre'***.
- 1.5 This decision was called in by the Overview & Scrutiny Co-ordinating Committee meeting of 19th August 2010 which resolved that the decision be reconsidered by the Executive Board at its next meeting.
- 1.6 The Executive Board did reconsider its previous decision at its meeting of 1st September 2010 and resolved ***'that a decision in respect of the community centre, Honiton, be deferred for further consultation with Honiton Town Council'***.
- 1.7 Following that decision a joint task force of EDDC officers, the Clerk to Honiton Town Council, and Ward Members considered a number of alternative sites. These included leasing and converting the Carlton Inn; the enlargement and refurbishment of the Mackarness Hall; land at Vine Street and, after much debate, the preferred option of the conversion of part of the interior of St Paul's Church.
- 1.8 Sketch plans and costs were obtained for the St Paul's Church conversion. The task force considered the plans in detail but the result of this exercise provided at a significant cost an unsuitable building for a community centre. In the end, none of these sites were found to be suitable

- 1.9 Having considered each site on its merits, the task force came to the conclusion that none of the sites were suitable or viable either due to their location, size, or because of legal, planning or other constraints. The task force concluded that the only practical site was the originally allocated site at the Lace Walk long stay car park.
- 1.10 If it is accepted that this site is suitable and that it can be released for development the consideration should be given to its transfer to Honiton Town council.
- 1.11 If it is agreed that the site is to be transferred at **nil** consideration it is a requirement (under the provisions of the Local Government Act 1970) that land subject to a transfer at '**less than 'Best Value' than might reasonably be obtained if offered for sale on the open market'**, be considered by the Council
- 1.12 As the 0.114 Ha (0.28 acre) site is currently operated as a long stay car park the existing use value is assessed at £117,000 (based upon the net annual revenue generated)
- 1.13 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.
- 1.13 On 22 November 2005 EDDC entered into a contractual arrangement with Honiton Town Council which committed this Council to contributing a capital sum, by way of grant, of £333,333 towards the cost of constructing the community centre (to include architects fees). This agreement stated that the grant would be repayable by Honiton Town Council, in full, if a building contract has not been let and work not commenced on the construction of the Community Centre by 28th July 2010.
- 1.14 Minute 119 (2) of the Executive Board meeting of 27 November 2002 stated that the £333,333 building grant was to be made in addition to the transfer of the land.
- 1.15 The loss of the 39 car parking spaces could be alleviated by undertaking a re-modelling of the Lace Walk short stay car park to provide an additional 7 spaces although this has not been costed and there is no budget provision. The existing long stay car park in Dowell Street (west) is underused and has been identified in the Off-Street Car Parks Review as being able to accommodate cars that will be displaced from the Lace Walk long stay car park.

Legal Implications

It was originally envisaged that the Community Centre would be developed by a voluntary organisation in which case the land would have been let under a 125 year lease. As the development is now being taken over by the Town Council, and substantially developed with loan money it would seem reasonable that the freehold should be transferred, and also consistent with the proposed community centre development at Sidmouth. The Transfer would not be completed until the Building contract has been let and work about to start. It should also contain appropriate restrictive covenants

Financial Implications

The loss of capital receipt of £117,000, and revenue of £11,736 pa. needs to be weighed against the positive impact of a community centre in Honiton.

Of the £333,333 approved in EDDC capital programme, £34,000 was transferred to HTC during 2005 with additional expenditure of £12,203 on consultants fees in 2009/10 leaving a balance of £287,130.

Consultation on Reports to the Executive

This matter has been the subject of wide consultation and various committee reports. A detailed planning application is currently under consideration.

Background Papers

- ❑ Plan of community centre site at Lace Walk
- ❑ 3 dimensional elevations of the new Community Centre
- ❑ Copy of legal agreement between EDDC & HTC dated 28 July 2005
- ❑ Executive Board meeting of 27 Nov 2002 (min 119)

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Executive Board
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