

Single Member Cabinet Decision

Executive
Forward Plan
Reference

E3018

Midsomer Norton- proposed package of Community Asset Transfers (Midsomer Norton Town Hall; Somer Centre; Orchard Hall; Silver Street Nature Reserve; land alongside the Town Park and the Somer Centre)

Decision maker/s	Councillor Charles Gerrish, Cabinet Member for Finance and Efficiency
The Issue	This report proposes a Community Asset Transfer package designed to lever-in significant future benefits from and investment into local community facilities serving Midsomer Norton and surrounding areas. The report covers the background to the proposed transfer, identifies the community benefits arising from it, and addresses key financial, legal and other considerations.
Decision Date	5 th September 2018
The decision	The Cabinet Member agrees to: <ul style="list-style-type: none">• Delegate to the Head of Property / Corporate Property Officer authority for the completion of the disposal of the assets set out in the report into a final agreement in line with the Heads of Terms attached.• Note that the transfer of the assets will be in accordance with Heads of Terms approved by the Head of Property in compliance with statutory responsibilities under s123 Local Government Act 1972, in pursuance of the recommendations in paragraphs 2.1 above• Note that the Corporate Capital Planned Maintenance programme includes a programme of works planned to be undertaken to Midsomer Norton Town Hall, which have a total value of £170,000. These works are more fully set out within the Appendix.
Rationale for decision	This option has been chosen as it enables the Council to secure significant investment into a local asset whilst securing its future to deliver clear and sustainable social, economic and environmental benefits to local communities. It therefore helps to deliver the Council Corporate Strategy aim of supporting community asset transfers “where this can be achieved without excessive cost to the Council and where community benefits clearly arise”.
Financial and budget implications	<ul style="list-style-type: none">○ the Corporate Capital Planned Maintenance programme includes a programme of works planned to be undertaken to Midsomer Norton Town Hall, which have a total value of £170,000.○ In the light of the General Consent and RICS Guidance

	<p>(set out in more detail below), it is necessary to identify the value of the economic, social and environmental wellbeing benefits that will be generated as a direct result of the disposal at less than best consideration. For this package of assets, the “undervalue” sum of £760,000 has been annualised to £43,645 using a discount rate of 3% over a 25 year period in order to facilitate comparison against the annual value of these economic, social and environmental benefits.</p> <ul style="list-style-type: none"> ○ The discount rate adopted represents the opportunity cost of the value of the foregone capital receipt and is based on current rates of borrowing using a 25 year loan. ○ The commensurate benefits are summarised in the body of the report and the detailed Asset Transfer Benefit Analysis upon which this is based is set out in Appendix 3. ○ The lease of the Town Hall to the Sarah Ann Trust imposed repairing obligations on the Council which will be removed as a result of the proposed Community Asset Transfer. However, this will be counterbalanced by the loss of rent and so this aspect of the transaction is revenue neutral ○ The Council will be forgoing the following capital receipts: <ul style="list-style-type: none"> ● Town Hall, Silver Street, Midsomer Norton – Open market capital value £350,000. The restriction on use to be imposed on the freehold interest will reduce this value to £175,000. ● The Somer Centre, Gullock Tynning, Midsomer Norton – Open market value £275,000. The restriction on use to be imposed on the freehold interest will reduce the value to £125,000 ● Orchard Vale Community Centre – Open Market value of the leasehold premium for a 99 year lease is £100,000. ● Silver Street woodland reserve – Open market capital value £35,000.
<p>Issues considered (these are covered in more detail in the report)</p>	<p>Property; Corporate; Other Legal Considerations</p>
<p>Consultation undertaken</p>	<p>Cabinet colleagues; Town Council; Community Interest Groups; Section 151 Finance Officer; Chief Executive; Monitoring Officer</p>
<p>How consultation</p>	<p>Extensive discussions have taken place with the town council. The</p>

<p>was carried out</p>	<p>Sarah Ann Trust have agreed in writing to determine their lease as appropriate during the process set out in the report, as have Orchard Recreational Community Association. Both fully supports the Asset Transfer process and has asked that it be expedited</p> <p>A meeting has taken place with the Trustees of the Midsomer Norton Community Association (Charity RegistrationNo.1056145), to ensure they are fully aware of the basis of the proposed transfer of this asset to the Town Council which shall include provisions that the lease will continue following the transfer on the existing terms including the current rental subsidy.</p>
<p>Other options considered</p>	<p>The Council has historically considered full commercial disposal but the potential for community benefits through community asset transfer having been pursued with the town council, has led to the proposal set out in the report.</p>
<p>Declaration of interest by Cabinet Member(s) for decision, including any dispensation granted:</p>	
<p>Any conflict of interest declared by anyone who is consulted by a Member taking the decision:</p>	
<p>Signatures of Decision Makers</p>	
<p>Date of Signature</p>	
<p>Subject to Call-in until 5 Working days have elapsed following publication of the decision</p>	