

Bath & North East Somerset Council

DECISION MAKER:	Cllr Richard Samuel, Cabinet Member for Economy & Growth	
DECISION DATE:	On or after 28 December 2019 (for single Member decision)	EXECUTIVE FORWARD PLAN REFERENCE:
		E 3191
TITLE:	Proposed Asset Transfer of Land at North Parade Road to the Bath Cricket Club at Less Than Best Consideration	
WARD:	Bathwick	
AN OPEN PUBLIC ITEM/Part exempt		
<p>List of attachments to this report:</p> <p>Appendix A – Heads of Terms & plan</p> <p>Exemption certificate</p> <p>Appendix B - EXEMPT - National Themes, Outcomes and Measures 2019 Basic Calculator – Edition: 2019, Assessment of the Community Benefits</p> <p>Appendix C – EXEMPT - Valuation</p>		

1 THE ISSUE

- 1.1 The Bath Cricket Club are proposing to develop their land to accommodate an indoor cricket school, improved facilities and a 136 bed student accommodation block. They have planning consent under planning reference 17/04338/FUL.
- 1.2 The Bath Cricket Club do not own the strip of land between North Parade Road and their property. In order to enable the proposed development, Bath & North East Somerset Council has agreed lease terms with the Bath Cricket Club to enter into a 250 year lease in respect of land and parking spaces adjacent to North Parade Road. It is proposed that this is a long lease at a peppercorn rent, with a premium payable upon the grant of the lease.
- 1.3 The development at the Club will provide a number of community benefits, which are detailed in appendix B. The community benefits have been valued using the National TOMs 2019 Basic Calculator – Edition:2019 to assess the social value.

The value attributed to these benefits clearly suggests a Community Asset Transfer is appropriate.

1.4 The transfer will however represent a disposal at less than best consideration. The report covers the background to the proposed transfer, identifies the benefits arising from this and addresses key financial, legal and other considerations.

1.5 The disposal falls within the parameters of the General Disposal Consent.

2 RECOMMENDATION

The Cabinet Member for Resources is asked to;

2.1 Delegate to the Head of Estates the authority for the completion of the transfer (as a Community Asset Transfer) of the asset at less than best consideration.

2.2 Note that the transfer of the asset will be in compliance with the statutory responsibilities under S123 Local Government Act 1972.

3 THE REPORT

3.1 Bath Cricket Club obtained planning permission in 2018 for the erection of a 136 no. bed purpose built student accommodation and associated communal and ancillary facilities, re-provision of car parking, demolition and replacement of indoor cricket training facility, formation of new access, and landscaping works.

3.2 The strip of land connecting the Cricket Club land with the adopted highway is owned by Bath & North East Somerset Council.

3.3 The Cricket Club approached the Council with a view to obtaining an easement over the land to enable the development to go ahead. The land was valued by an independent valuer

3.4 The Cricket Club provided the Council with information on the community benefits that the development and subsequent investment would provide.

3.5 Benefits include a new indoor cricket school, which will enable a winter training and coaching programme, and act as a hub for Disability Cricket

3.6 The extension to the Cricket Club will also provide new teaching and learning space and separate female changing facilities.

3.7 There will also be further employment opportunities and improvements to the Bath Cricket Club secondary state school cricket programme.

3.8 The investment in the club will also enable it to increase the size of the bursary fund available and improve facilities at their second cricket club site in Lansdown.

3.9 Additional Leisure community benefits as a result of the development create a value of around £2 million.

- 3.10 In order to unlock this investment the Bath Cricket Club requires the land to enable the development and subsequent investment to proceed.
- 3.11 A Community Asset Transfer will enable the club to provide the community benefits, whilst the Council will be able to impose a rent for a term of 30 years should the benefits not be provided. This will be monitored by the Council.
- 3.12 The Bath Cricket Club will also pay a premium for the lease.
- 3.13 Two parking spaces are also included as this will enable the club to improve security in their second car park.
- 3.14 The permitted user clause in the lease restricts the use of the land.
- 3.15 Maintenance of the embankment will be undertaken by the Cricket Club which is a direct saving of £900 pa to the Council.
- 3.16 A lease of the land to the Bath Cricket Club will enable a significant amount of funding to be released to the club, producing improved sporting facilities for current and future members, leveraging in external funding and delivering sufficient community benefits to meet the tests set out in paragraph 4.4 below.
- 3.17 The Bath Cricket Club will also enter into a contractual agreement with the Council obliging the Club to deliver these community benefits and will provide evidence to the Council annually of the activities being delivered.

4 STATUTORY CONSIDERATIONS

- 4.1 The proposal meets the Council's corporate objectives.
- 4.2 Public health and inequalities: the Council has a statutory duty to promote the health and wellbeing of the inhabitants of its area and reduce inequalities amongst its population
- 4.3 The Royal Institution of Chartered Surveyors (RICS) is the governing body for Chartered Surveyors and they have set out guidance specifically to deal with the disposal at less than market value which should be followed unless there are particular circumstances that mean that it is not appropriate. It puts in place an audit trail so that the decision is demonstrably robust. It is, therefore, considered that this is an appropriate model for sign off of the individual transactions which should be undertaken in liaison with the Section 151 Officer. The assessment requires:
- (1) A full valuation exercise is undertaken which identifies the maximum theoretical Market Value for the asset to be transferred.
 - (2) Calculation of the reduced values that apply because of any restrictions that the Council applies relating to things such as use, alienation, clawback, etc.

- (3) The value added to the Council through the outcomes of the transfer has been assessed and found to be not less than the difference between market value and the actual price to be paid

4.4 Property considerations: under s123 of the Local Government Act 1972, any disposal by the Council of an asset in excess of 7 years (including leasehold interests) must obtain "best consideration", unless Circular 06/03 The Local Government: General Disposal Consent (England) 2003 disposal of land for less than the best consideration that can reasonably be obtained apply or a specific consent is obtained. The general consent allows specified circumstances where the consent can be applied:

- a) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
- i) the promotion or improvement of economic well-being; ii) the promotion or improvement of social well-being; iii) the promotion or improvement of environmental well-being;
- b) the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

5 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

5.1 The maintenance of the embankment will be passed to the Cricket Club. There will be on-going monitoring of the community benefits by the Council.

6 RISK MANAGEMENT

6.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

7 CLIMATE CHANGE

7.1 There is no positive impact to improve the climate and help to achieve carbon neutrality

8 OTHER OPTIONS CONSIDERED

8.1 This option has been chosen as a long lease to the Bath Cricket Club enables improved sports facilities and opportunities for the residents of Bath & North East Somerset.

8.2 It provides the community with a valuable facility which could lead to health benefits.

8.3 No other viable option provides these benefits

9 NO OTHER VIABLE OPTION PROVIDES THESE BENEFITS. CONSULTATION

9.1 Cabinet members; Section 151 Finance Officer; Chief Executive; Monitoring Officer

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Background papers	None
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