

Whitchurch Civic Centre Asset Transfer

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1.0 Summary

- 1.1 Whitchurch Civic Centre and the Market Hall complex ('WCC') is owned by Shropshire Council (SC). There are two parts to the building:
 - a. Space occupied by the SC run library and registrars
 - b. The remainder, which is leased to Whitchurch Town Council ('WTC') until 2031 with partial repairing responsibilities resting with WTC
- 1.2 In 2014 SC oversaw a significant circa £900,000 improvement to the front façade and public realm, the creation of a new public foyer and to limited upgrading of services including the provision of a new fire escape and fire proofing.
- 1.3 SC staff provide Customer Service Point services alongside WTC staff, who provide visitor information and civic services, from a new single reception desk.
- 1.4 On the 21 November 2017, WTC formally re-confirmed their desire to acquire the freehold of the building from SC. Within such an agreement, they would lease back to the Council the existing library and registrar space under a part-repairing lease.
- 1.5 This report recommends that, subject to the completion of all necessary due diligence and confirmation of heads of terms, SC transfers the freehold of the WCC to WTC at no cost under its powers to dispose of surplus property.

2.0 Recommendations

Cabinet is requested to:

- A. Approve the freehold transfer of Whitchurch Civic Centre from Shropshire Council to Whitchurch Town Council, subject to the completion of all due diligence and the agreement of Heads of Terms.
- B. Provide delegated authority to the Head of Business Enterprise and Commercial Services in consultation with the Portfolio Holder for Corporate Support to progress and conclude all aspects of the transfer.

REPORT

3.0 Opportunities Appraisal and Risk Assessment

- 3.1 The Civic Centre is the principal civic building in Whitchurch given its central and accessible location. It has the potential to be a multi-agency civic community hub for the town. The

recently completed improvements form part of a longer-term aspiration to comprehensively refurbish the entire building. Outline plans were drawn up some time ago and these included opening up the library into a shared foyer space; improvements to the interior, upstairs and down; comprehensively updating the heating, water and electrical systems; renovating the Market / Sports Hall and refurbishing the Civic Hall, bar and stage area.

- 3.2 Wrekin Housing Trust have plans for a housing redevelopment at Paul's Moss, Dodington in Whitchurch and the Shropshire Telford Wrekin Estates Partnership are considering a health and social care hub within the overall development. The health and social care facility would be complementary to the Civic Centre with its uses aligned more to health related activity.
- 3.3 The proposed freehold transfer of WCC to WTC is consistent with SC's wider approach to increasing the role of town and parish councils in the local delivery of services linked to the transfer of assets.

This has a number of potential long-term advantages to both parties including:

- The opportunity for investment in the development of a key civic asset for the community of Whitchurch, by the community of Whitchurch, with decisions taken as locally as possible. This may be possible within the terms of the existing lease. WTC, however, believe that freehold tenure provides greater opportunity for them to raise capital for further investment, investment that SC is less likely to achieve unless funded through capital receipts as part of a town wide asset rationalisation plan. Furthermore, WTC have raised concerns previously with regard the security of their tenure in the building.
 - Support for an approach that gives the best opportunity for the building to provide services that best support the aspirations of the local community. This is an approach that will meet both broad local community and visitor social, economic and health objectives.
 - Eliminating future financial risk to SC as landlord and its building repair responsibilities. All future maintenance liabilities would fall to WTC as freehold owner. Greater incentive for WTC to invest in ongoing improvements to the building and in the development of new activities. WTC has been reluctant to raise finance and invest significant sums under leasehold rather than freehold tenure.
 - The building would be included on WTC's balance sheet putting them in a stronger position to act as a business and to "add value" to local services.
 - The long-term sustainability of WCC and the activities that it provides within challenging existing financial circumstances.
- 3.4 In discussing a possible freehold transfer SC will seek to protect its future interests by confirming a number of conditions including:
- Restricting use for purposes that support a vibrant community asset that provides a range of community, cultural and leisure services to local people and visitors. Services may include but are not restricted to library and face to face customer services, registrars, markets, leisure and youth activities, entertainment, events, etc.
 - In the event of WTC wishing to dispose all or any part of the building (WCC) for uses not covered in the restriction on uses, SC shall include in the transfer a right of pre-emption giving SC the option to re-purchase the building for the same sale price.
 - WTC will provide a part-repairing lease to the Council to allow library and Registrar Service provision at a pepper corn rent within an equivalent Tier 1¹ Library space and location to be mutually agreed.
 - By mutual agreement, Whitchurch Town Council will provide suitable space to the Council that will meet the requirements of providing a Customer Service function delivered through both a face to face service and via secure customer self-service facilities.

¹ As per Shropshire Council's Library Strategy

- Whitchurch Town Council will provide mutually agreed suitable space from which the council's Adult Services can conduct "Let's Talk Local" customer interviews.

3.5 The Council has statutory duties under the Equality Act 2010 and section 149; Public Sector Equality Duty in shaping policy, in delivering services, and in relation to their own employees. Since the Council's intention is to transfer the property to a public sector organisation, future library, registrar, Customer Service Point and Adult Services Let's Talk Local use will be protected within the terms of the transfer. Any future development proposals will be subject to the development of an Equality and Social Inclusion Impact Assessment.

4.0 Financial Implications

4.1 The net book value of the WCC is a de minimis due to its categorisation as a community asset.

4.2 The proposed transfer of the WCC from SC to WTC will allow SC to pass on all liabilities and costs currently connected with the ownership and management of the building with the exception of the parts of the building that are leased back to SC.

4.3 A visual building condition survey commissioned by WTC in May 2014 concludes that although the building had undergone recent repairs a significant proportion of the building remained in its original condition and that any refurbishment was likely to expose parts of the structure currently hidden with unseen defects requiring further work. The report also makes recommendations for future further surveys to ensure that a robust planned programme can be put in place to ensure it remains fit for purpose for the future.

4.4 There are future repair costs associated with the building including areas such as the exterior of the building. SC would be passing on the future maintenance liabilities onto WTC as part of the asset transfer.

5.0 Background

5.1 Since Shropshire Council was formed in 2009 it has been working with Town and Parish Councils and Community Groups across Shropshire to increase their role in influencing and delivering local services. This was reinforced by the Localism Act in 2011 which supported a national drive to shift power away from central government to local government, communities and individuals. In addition, the current reality is that many community based services will only be able to continue if Town and Parish Councils are supported and encouraged to play a more active role in their local design and delivery.

5.2 As part of this approach, SC is committed to community asset transfers (CAT) where they will bring benefits to local communities and contribute towards SC's aims and objectives. In developing this policy, SC is committed to using its assets to assist in forming long-term partnerships with local organisations which meet SC's criteria, in order to create stronger, more cohesive and more sustainable communities.

5.3 While the formal CAT process only applies to the transfer of assets to voluntary and community groups, the same principles apply to the transfer of assets to town and parish councils.

5.4 The potential transfer of assets to Town and Parish Councils is managed through SC's surplus property procedures.

- 5.5 Under the Local Government Act 1972 local authorities have powers to dispose of property in any manner they wish, subject to certain constraints which may include a requirement to obtain the consent of the Secretary of State. Under Section 123 of the Local Government Act 1972 (Appendix A) principal councils have a duty not to sell land for a consideration less than the best consideration reasonably obtainable unless the Secretary of State's consent has been obtained. However, the Local Government Act 1972: General Disposal Consent (England) 2003 (Appendix A), gives a general consent provided that any undervalue of the interest does not exceed £2 million and the transaction is considered by the local authority to help secure the promotion or improvement of the economic, social or environmental well-being of its area.
- 5.6 Although there hasn't been a formal valuation of the property for any other defined planning uses, based on information from the valuation office (rating) an approximate value of £1 million can be assumed for the property and therefore this falls within the general consent and meets the criteria of improving the social and environmental wellbeing of the area in accordance with section 5.5 of this report.
- 5.7 The WCC and Market Hall complex is owned by SC. There are two parts to the building (see attached plan at Appendix 1):
- a. A library and Registrar occupied and managed by SC
 - b. The remainder is leased to WTC until 2031 under a part-repairing lease.
- 5.8 WTC provide a number of activities and services within the Civic Centre including:
- Town Council offices and Town Council contact point
 - Weekly market
 - Local community activities and events
 - Arts and drama productions
- 5.9 Alongside WTC's visitor information contact point SC provides a Customer Service Point delivering a combination of a face to face service, free phone access to the Customer Service Centre and access to online services through public computers.
- 5.10 Shropshire Council's Adult Services provide a fortnightly "Let's Talk Local" service from the centre using one of the private interview rooms. Let's Talk Local is a meeting with a skilled adviser for residents who have a social care enquiry that cannot be addressed over the phone.
- 5.11 Following approval of SC's Library Services Strategy, 2018 – 2023, the library in Whitchurch has been confirmed as a tier 1 library hub. Library hubs are intended to be conveniently located, multi-functional spaces, gateways to a range of services, and co-located with partners. The strategy indicates that on-going management will be provided by Shropshire Council outlined within a targeted community focussed action plan that provides value for money. This includes revenue support for the provision of library services with opportunity for partner organisations to "add value" to provision via partner funding.
- 5.12 Following the achievement of a significant funding package (Market Town Revitalisation Programme, Shropshire Council, Whitchurch Town Council, and Sainsbury Unilateral Undertaking) significant improvements to the building were completed in 2014 including:
- a. Reconfiguring the downstairs foyer area, involving:
 - Moving the site of the kitchen.
 - Reconfiguring the toilets and offices to make better use of the downstairs public space, and forming a reception hub to be shared by the Town Council, Shropshire Council Customer Services Point, and at a later phase the Library. A local police presence could also be serviced from here.

- Enclosure of the ‘alleyway’ making that entrance the main one to the building.
- b. Upgrade of services
 - Refurbishing the heating, water and electrical systems.
 - New fire escape and fire proofing to comply with Building Regulations
- c. New front facade & public realm work to the front to create a much improved welcome and a new “entertainment space”.

6.0 Consultation and stakeholder engagement

- 6.1 The proposals outlined within this report have been discussed, in principle, with local Elected Members and are supported by them.
- 6.2 Whitchurch Town Council have expressed an interest in acquiring the freehold of the WTC and provided in principle approval at their full council meeting to acquire the freehold.
- 6.3 No specific public consultation has been undertaken on the proposed transfer as it does not materially affect the administration of public services or delivery of existing services from the building.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)
Cabinet Member (Portfolio Holder) Steve Charmley, Portfolio Holder Corporate Support
Local Members Councillors Peggy Mullock, Thomas Biggins and Gerald Dakin
Appendices Appendix 1 - Plan of Whitchurch Civic Centre