

TELFORD & WREKIN COUNCIL

CABINET - 20 SEPTEMBER 2012

DISPOSAL OF DAWLEY WAR MEMORIAL HALL, KING STREET, DAWLEY

REPORT OF THE ASSISTANT DIRECTOR: DEVELOPMENT, BUSINESS & HOUSING

LEAD CABINET MEMBER – CLLR BILL McCLEMENTS

PART A) – SUMMARY REPORT

1. SUMMARY OF MAIN PROPOSALS

1.1 To obtain approval for the disposal of Dawley War Memorial Hall as detailed in this report.

2.0 RECOMMENDATIONS

- 2.1 That Cabinet approve the disposal of the asset as detailed within this report in accordance with terms to be agreed by the Assistant Director: Development, Business & Housing in consultation with the Cabinet Member for Resources & Service Delivery
- 2.2 That Cabinet delegate authority to the Assistant Director: Law, Democracy & Public Protection to be authorised to agree and execute all necessary documentation
- 2.3 The capital receipt be retained within the Property Investment Portfolio for reinvestment

SUMMARY IMPACT ASSESSMENT

COMMUNITY IMPACT	Do these proposals contribute to specific Council Priorities	
	Yes	As a Co-operative Council, working with the Community
	Will the proposals impact on specific groups of people?	
	Yes	Dawley Memorial Hall has been established in Dawley since around 1930. Primarily members are from Dawley and surrounding areas, but, some come from as far as Wolverhampton and Bridgnorth. The club provides a focal point for the Community and provides a meeting place for local clubs with licensed premises for the playing of snooker, pool, darts and dominoes. The function room caters for weddings, funerals, christenings etc. It is a well used facility for both the Dawley Community and further afield within Telford
TARGET COMPLETION/ DELIVERY DATE	Target completion – December 2012	
FINANCIAL/ VALUE FOR MONEY IMPACT	Yes	Dawley Memorial Hall is held within the Property Investment Portfolio (PIP) and is occupied by Dawley Social Club. The Memorial Hall was purchased in 2010 and the monies for the purchase, £50,000 (valued by independent Valuers for The Trust Board in 2007) was distributed to charitable bodies in Dawley following the decision of the Trust Board to sell the property. The funds were invested in schemes at: The Royal British Legion £21,500 1 st Dawley Bank Scouts £20,000 Dawley Baptist Church £8,000 In 2011, over £10,000 was invested on the Dawley Memorial Hall for general improvements, with 50% payable by the Club. Earlier this year an area of roofing within the hall collapsed and the reinstatement of this is estimated at circa £150,000. The Clubs' Insurance Company refused to accept liability and whilst liable under the terms of their lease the Club is unable to fund the repairs and the Council considers any further investment unacceptable. The Club pays a current rent of £2,000 pa. In establishing the freehold market value of the property, an independent valuation has been undertaken by the Valuation Office. This concluded a market value of £21,000 based upon a sale with the use restricted to a "Social Club" for the land shown in red and blue in Appendix 1. A copy of the Valuation Report is attached as Appendix 2. The income from the sale of the property will be used to reinvest in better performing assets where there is greater scope for

		rental growth. AM
LEGAL ISSUES	Yes	The site is subject to a 20 year lease from 1st August 2010 to the “Trustees of Dawley Social Club”. The site itself is made up of two titles. The first of which covers the building, access and limited parking (as shown edged red in Appendix 1). This area is registered to the Council as freehold owner. A proportion of the property is subject to a restrictive covenant limiting the use of that portion of the site to “a permanent memorial”. The second element of the site comprises of the associated car park (as shown edged blue in Appendix 1). This site is not currently registered but the Council are in the process of applying for possessory title. It is proposed that the land currently registered to the Council will be transferred for the sum of £21,000 and if possessory title is obtained for the other portion of the site then this would be transferred at a later date at £1. The site being transferred in red will be restricted by covenant to use as a “Social Club only” in addition if the land in blue is registered to the Council then it would be transferred freehold with a restriction on use to “car parking associated with a Social Club only”. EH
OTHER IMPACTS, RISKS & OPPORTUNITIES	Yes	The sale of the property to the “Trustees of Dawley Social Club” safeguards the future use of this community asset.
IMPACT ON SPECIFIC WARDS	Yes	The site is located in the Dawley Magna Ward

PART B) – ADDITIONAL INFORMATION

3.0 INFORMATION

- 3.1 Dawley Social Club has been a part of Dawley Community for many years. Founded around 1930 in a former hall gifted to the Community, it has gradually been extended and currently provides a base for a range of social functions. It currently has around 600 members primarily from the Dawley and surrounding areas but with some members from as far as Wolverhampton and Bridgnorth.
- 3.2 The independent valuation carried out for The Trust Board is dated August 2007, the terms of which were agreed with the Charities Commission and based on an open market value with the restrictive covenant as to use lifted. At that time the investment of £50k was spent on three schemes in the area at The Royal British Legion, 1st Dawley Bank Scouts and Dawley Baptist Church. The recent valuation carried out by the valuation office is based on the restrictive covenant for use as a club remaining in place.
- 3.3 Dawley Social Club rent the land and buildings edged red on the attached plan (Appendix 1) from the Council on a 20 year lease from 1 August 2010 on full repairing and insuring terms. The current rent is £2,000 per annum.
- 3.4 In establishing the freehold market value of the property an independent valuation has been undertaken by the Valuation Office. This concluded a market value of £21,000 based upon a sale with the use restricted to a “Social Club”. The valuation report is included in Appendix 2.

4.0 IMPACT ASSESSMENT ADDITIONAL INFORMATION

Financial Implications (A Massey 17/08/2012)

- 4.1 The disposal of this asset is in accordance with the PIP Strategy.
- 4.2 Proceeds raised from the sale of poor performing assets within the PIP will be used to reinvest in modern property or in improvements to existing property to ensure both rental and capital growth is protected.

Legal Implications

- 4.3 The site is subject to a 20 year lease from 1 August 2010 to the “Trustees of Dawley Social Club”. The site itself is made up of two titles. The first of which covers the building, access and limited parking (as shown edged red in Appendix 1). This area is registered to the Council as freehold owner. A proportion of the property is subject to a restrictive covenant limiting the use of that portion of the site to “a permanent memorial”. The second element of the site comprises of the associated car park (as shown edged blue in Appendix 1). This site is currently un-registered but the Council are in the process of applying for possessory title.
- 4.4 It is proposed that the land currently registered to the Council will be transferred for the sum of £21,000 and if possessory title is obtained for the other portion of the site then this would be transferred at a later date at £1.
- 4.5 The site being transferred in red will be restricted by covenant to use as a “Social Club only” in addition if the land in blue is registered to the Council then it would be transferred freehold with a restriction on use to “car parking associated with a Social Club only”.

5 BACKGROUND PAPERS

None

6 PREVIOUS MINUTES

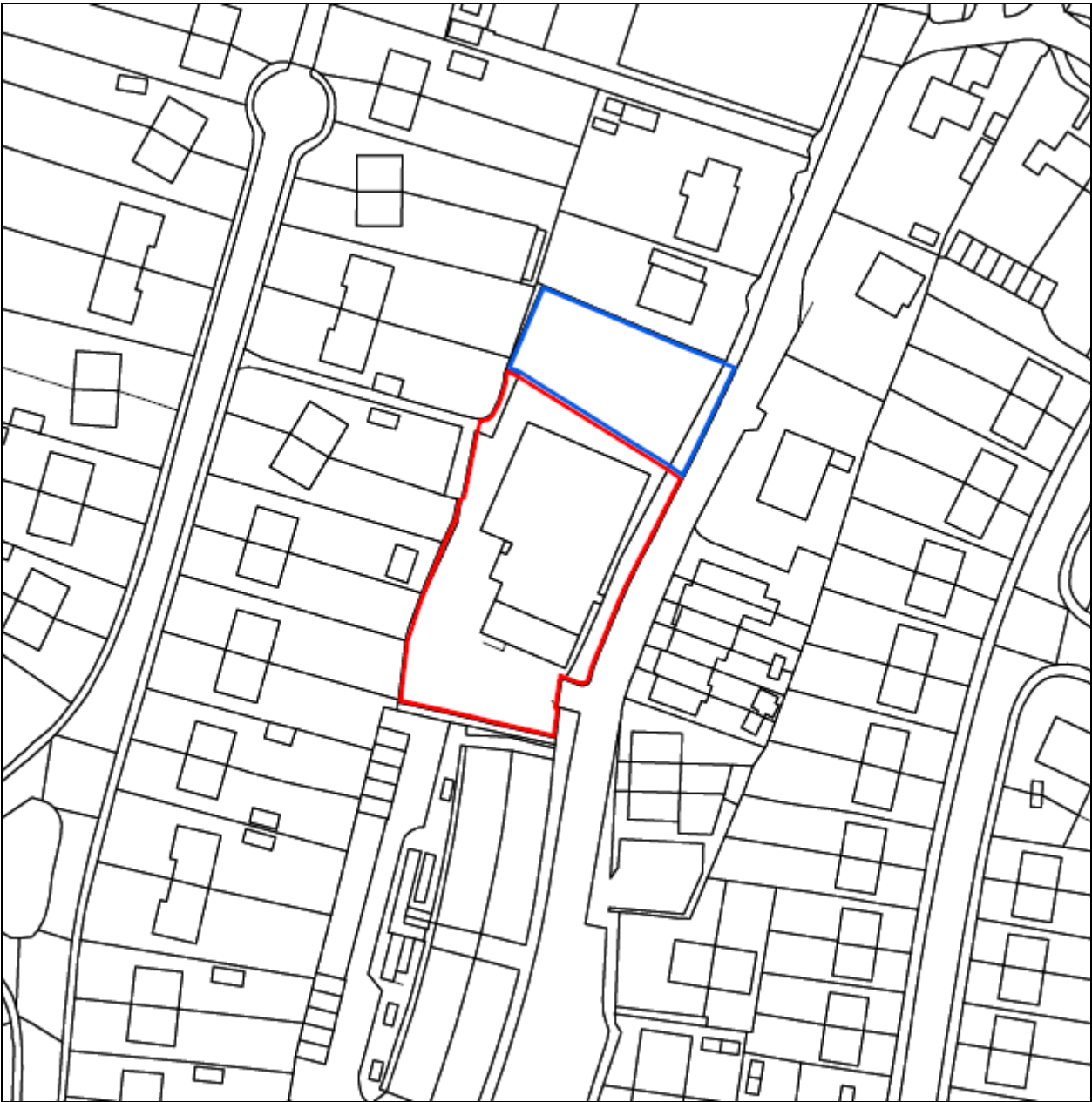
None

7. Ward Implications

- 7.1 The site is located within the Dawley Magna Ward. The ward members are:
- Councillor Frances Bould
Councillor Clive Elliott
Councillor Brian Duce

Report prepared by James Dunn, Estates & Investment Team Leader

Appendix 1 – Site Plan



Appendix 2 - Valuation Report



Valuation Office Agency
District Valuer Services

Alan Fox
Estates and Investments Manager
Telford & Wrekin Council
Wellington Civic and Leisure Centre
2nd Floor Upper
Larkin Way off Tan Bank
Wellington
Telford
TF1 1LX

5th Floor
Crown House
Birch Street
Wolverhampton
WV1 4DS

Direct: Dial: 03000 507221
Fax: 03000 507250
E-mail: phil.d.chapman@voa.gsi.gov.uk

Your Reference :
Our Reference : PDC/1416964
Please ask for : Phil Chapman

Date : 5 July 2012

Dear Alan

Dawley Memorial Hall, King Street, Dawley TF4 2AG

With reference to your request dated 19 June 2012, I have given the matter careful consideration and would report as follows: -

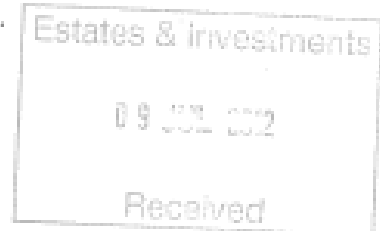
INTRODUCTION: Telford and Wrekin Council lease Dawley Memorial Hall to the Trustees of the social club. The lessee wishes to purchase the freehold.

SITUATION and DESCRIPTION Single storey brick building with a part pitched/part flat roof constructed originally inter war with later additions. The original part was used as a clinic but now converted to a social club. The building is dated and the roof in the function room requires urgent attention; this is the responsibility of the lessee.

NATURE OF INTEREST: I have valued the Freehold interest subject to the existing lease and on the basis that the property will continue to be used as a social club. The lease is for 20 years commencing on 1 August 2010 at a commencing rent of £2,000 pa with 5 year rent reviews based on increases in RPI. It is understood that if the freehold were not to be disposed of there would be at a further concessionary rent on renewal. Under the terms of the lease the lessee is responsible for all repairs.

EASEMENTS, RIGHTS OF WAY AND RESTRICTIONS AFFECTING VALUE: None known.

DATE OF INSPECTION: An inspection of the site was carried out on 27 June 2012.



DATE OF VALUATION:	The date of valuation is the date of this report.
PLANNING:	It is assumed that the present use complies with all necessary planning permissions.
ENVIRONMENT AND CONTAMINATION MATTERS:	I have not undertaken an environmental survey on the sites and am not able to state that the sites are free from contamination or noxious weeds infestation etc.
FLOODING:	I have assumed that the site has no history of flooding.
OPINION OF VALUE:	I am of the opinion that the freehold value, subject to the existing lease and on the assumptions mentioned in this report, is in the order of £21,000 (Twenty One Thousand Pounds) exclusive of any VAT which may be payable.
V.A.T.:	The stated opinion of value is exclusive of any VAT which may be payable.
VALIDITY:	This report should not be considered valid for a period exceeding 6 months from the date hereof nor if the circumstances should alter.
BASIS OF VALUATION:	The basis of valuation adopted is Market Value which is:- <i>"The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion."</i>

VALUATION ASSUMPTIONS AND CAVEATS

<u>Title</u>	The title deeds have not been inspected and it has therefore been assumed for the purposes of this valuation that the freehold interest is unencumbered and free from any onerous or unusual easements, restrictions, outgoings or conditions, likely to have an adverse affect upon the value of the premises.
<u>Searches</u>	No local searches have been carried out nor any enquiries made of the local authority and it has therefore been assumed for the purposes of this valuation that any searches or enquiries would not reveal any detrimental factors.
<u>Contamination</u>	I am not aware of the content of any environmental audit or other environmental investigation or soil survey, which may have been carried out on the property, which may draw attention to any contamination or the possibility of any such contamination. In undertaking my work I have been instructed to assume that no contamination or potentially contaminative uses have been carried out in the property. I have not carried out any investigation into past or present uses, either of the property or any neighbouring land, to establish

whether there is any contamination or potential for contamination to the subject property from these uses or sites, and have therefore assumed none exists.

However, should it be established subsequently that contamination, seepage or pollution exists at the property or on any neighbouring land, or that the premises have been or are being put to a contaminative use, this might reduce the value now reported.

Site Stability

I have not carried out or commissioned a site investigation or geophysical survey and in preparing my valuation I have assumed that the ground has sufficient load bearing strength to support the existing construction or any other construction that may be erected upon it in the future and that there is no fault or disability underground which could or might affect the property or any construction thereon.

Planning Licences Approvals or Certificates to operate

I have not made any investigation as to the planning position of the property.

Sources Extents and Non Disclosure of Information

This valuation has been carried out on the basis of the information supplied by the client in respect of the nature of the interest and location of sites.

V.A.T. Taxation and Costs of Acquisition and Realisation

No allowance has been made for liability to taxation, which may arise on disposal, whether actual or notional e.g. V.A.T. and Capital Gains Tax nor does the valuation reflect costs of acquisition or realisation.

**MINERAL VALUERS REPORT:
RICS APPRAISAL AND
VALUATION STANDARDS:**

A Report has not been requested.

The valuation has been prepared in accordance with the RICS Valuation Standards, 8th Edition. It is confirmed that the valuer has the appropriate knowledge, skills and understanding to undertake the valuation competently.

THIRD PARTY REFERENCE:

This report is provided for the stated purpose and for the sole use of the named Client. It is confidential to the client and their professional advisers and no responsibility is accepted whatsoever to any other person.

CONSENT TO PUBLICATION:

Neither the whole nor any part of this Valuation Report or any reference hereto may be included in any published document, circular or statement, or published in any way, without my written approval of the form and context in which it may appear.

Yours sincerely



Phil Chapman MRICS Dip LA
Senior Surveyor
RICS Registered Valuer
DVS