

Meeting: Cabinet
Council

Date: 17 September 2019
26 September 2019

Wards Affected: Tormohun

Report Title: Echo Building, St James Road, Torquay – Consideration of Community Proposal

Is the decision a key decision? No

When does the decision need to be implemented? As soon as possible.

Cabinet Member Contact Details: Councillor Swithin Long, Cabinet Member for Economic Regeneration, Tourism & Housing, 07419 111618, Swithin.Long@torbay.gov.uk

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Supporting Director Contact Details: Kevin Mowat, Interim Director of Place, 01803 208433, Kevin.Mowat@torbay.gov.uk

1. Proposal and Introduction

- 1.1. Cabinet on the 23rd July 2019 agreed to extend the period of time for the community to prepare a suitable proposal and bid for the Echo Building to ensure a continued community use, under the Council's Asset of Community Value Policy.
- 1.2 Further discussions have now taken place with a proposed purchaser who has made an offer for the freehold ownership of the land and building known as the Echo Building, St James Road, Torquay. The offer received is below market value. The purchaser has provided evidence of significant community value added benefit with projects and initiatives intended to be implemented at the property which the purchaser believes will offset the difference between the market value and the offer made.
- 1.3 This information has been considered and analysed and is set out in this report. As there is a significant difference between market value and the offer received a decision is now required whether to accept the bid received from the community or reject this and dispose of the property by way of auction, on a date to be agreed, to the highest bidder.

2. Reason for Proposal and associated financial commitments

- 2.1 The proposed purchaser has submitted a financial offer of £30,000 for the freehold ownership of the land and building known as the Echo Building, St

James Road, Torquay. This offer is considered to be below the market value of the property, which is estimated to be circa £85,000. The proposed purchaser has provided evidence demonstrating how projects and initiatives intended to be implemented at the property will offset the difference between the market value and the offer made.

- 2.2 Further to the Cabinet meeting on 17 September 2019 and following discussions with the Interim Director of Place, the King's Arms Church have indicated a clear preference for the proposed £30,000 freehold purchase of the Echo Building.
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3. Recommendation(s) / Proposed Decision

- (i) that the Cabinet recommend to the Council that the Interim Director of Place, in consultation with the Chief Executive, be authorised to dispose of the freehold interest of land and building known as the Echo Building, St James Road, Torquay, as shown on Plan EM3127 set out at Appendix 1 to the submitted report, at below market value to the King's Arms Church Charity. The disposal will include a first refusal buy back provision in favour of the Council and a suitable provision that will enable the Council to recover any uplift in value should the community group dispose of the building at a future point for any alternative use.

Appendices

Appendix 1: Plan EM3127

Appendix 2: 3 Year Program of Projects – Kings Arms Church Torbay

Appendix 3: Record of Decision – Echo Building, St James Road, Torquay –
Consideration of Community Proposal

Section 1: Background Information

1. What is the proposal / issue?

Cabinet on the 23 July 2019 agreed to extend the period for the community to come up with a suitable proposal and bid for the Echo Building to ensure continued community use, under the Council's Asset of Community Value Policy.

Further discussions have now taken place with Kings Arms Church, Torbay (Registered Charity: 1078726) the proposed purchaser of the building who have made an offer of £30,000 for the freehold and provided a detailed proposal on how the building will be retained for community use upon disposal.

The building has a market value of £85,000. The Council's Corporate Asset Management Plan 2015 to 2019 (2018/19 Revision) makes specific reference that the Council will 'always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest'. As a consequence the offer received is below market value.

The purchaser has set out how they believe as a community based organisation they will deliver significant community valued added benefit that will offset the difference between the market value and the offer made.

This information has been considered and findings are now being returned to Cabinet for a decision on whether to recommend the Council to dispose of the asset to the community bidder at less than market value or to maximise the capital receipt by disposal by way of auction, on a date to be agreed, to the highest bidder.

2. What is the current situation?

The Echo Building has been vacant since July 2018. Prior to this the building had been let to the charity Action for Children and used at a Children's Centre. The condition of the building remains reasonable despite being vacant for over a year.

The property is considered surplus to the Council's requirements.

An application was received by Torbay Council in November 2018 to list the property as an Asset of Community Value. This was approved by the Elected Mayor on the 19 December 2018.

The Elected Mayor took a decision on 2 January 2019 to dispose of the freehold interest in the Echo Building, St James Road, Torquay, TQ1 4AZ, subject to the application of the Asset of Community Value Policy.

The Council's Asset of Community Value Policy does not provide any assurances or preferable treatment to a community group. It does however provide the community with a six month period of time to prepare a suitable proposal and bid before a disposal can be brought forward.

As stated above on the 23 July 2019, Cabinet agreed to extend the original 6 month period by a further 3 months to allow the community to come up with a more detailed proposal and bid.

A proposal has now been received from The Kings Arms Church Torbay, a local evangelical community church which started in 1998. The community church meets regularly on Sundays at Torquay Academy. They are also involved in many local initiatives and community projects. The Church has received the backing of the local community partnership and ward councillors, representing Tormohun in support of the bid for Echo Building.

Over the last few years the group have obtained a significant insight into some of the immediate needs of local residents such as loneliness and isolation as well as a need for more things for young people to do and safe places for people to go. The proposal sets out range of community projects the Kings Arms Church Torbay intend to implement over the next three years, should their bid be successful that will benefit the residents of Upton and the wider community. The bid also includes a capital sum to the Council.

The proposals for the building are not at this stage fixed and will be shaped and guided by ongoing discussions with the local community, finance available and by having the right people and volunteers in place to sustain the community projects. The proposals are likely to revolve around 3 areas: a community hub, an office base for the Church and a church ministry / place of worship.

To summarise some of the proposals:

- Weekly Coffee morning – aimed specifically at those suffering from social isolation and loneliness.
- Become a partner with 'Homes for Good', to promote adoption and fostering in Torbay amongst local churches.
- Use of the building for local community buildings.
- Set up a baby bank for the provision of second hand clothes and donations to be distributed to those in need.
- Set up weekly children and / or youth club.
- Set up weekly parent / carer and toddler groups.
- The building would become the office base for the church.

Whilst it is difficult to quantify the financial added value of the initiatives set out above a conservative estimate over the first three years would be in the region of £110,000 - £130,000 of added community value.

Steve Honeywill, Associate Director for Torbay & South Devon NHS Foundation Trust, in his capacity as Senior Responsible Officer for community led support and Voluntary Sector and Community Engagements development, confirms the proposal would fit with both their Community Led Support projects and the Trust's stated position on supporting and

	<p>encouraging the voluntary sector in an asset based approach. He adds this type of use does create additional preventative capacity and resilience in the area and would have an “in kind” value to statutory services, albeit it would be hard to quantify.</p> <p>A more detailed breakdown of the proposals and added value provided by the applicant are included within the appendices.</p> <p>It is proposed that suitable provision will be required as part of the disposal of the land that will enable the Council to recover any uplift in value should the community group dispose of the value at some future point for any alternative use. As the Council recognises the important community value for this asset.</p>
<p>3.</p>	<p>What options have been considered?</p> <p>The Council’s Corporate Asset Management Plan 2015 to 2019 (2018/19 Revision) makes specific that the Council will ‘always seek to maximise the full market receipt for their assets whether by way of freehold disposal or leasehold interest’. Therefore an alternative option to be considered would be for the asset to be sold to maximise the capital receipt by disposal by way of auction, on a date to be agreed, to the highest bidder. A disposal by this method would meet that requirement.</p> <p>The community group would be free to bid for the property in this forum.</p> <p>In pursuance of the Cabinet decision on 17 September 2019, the Interim Director of Place did explore with King’s Arms Church Charity if it would be more appropriate to enter into a long lease at nil cost to the charity to enable them to invest the proposed £30,000 purchase cost, in delivering community projects sooner and especially in respect of work around foster carers. After consideration of this offer the King’s Arms Church Charity decided that they would prefer to go ahead with a straight forward freehold purchase.</p>
<p>4.</p>	<p>What is the relationship with the priorities within the Partnership Memorandum and the Council’s Principles?</p> <p>Disposing of the property will help to support the ambitions and principles of the Corporate Plan by bringing back into beneficial use an unused building helping to create a more prosperous Torbay.</p> <p>The proposal to sell at a level of less than market value is offset by the added community value which Kings Arms Church believe aligns with the wider plans of Torbay Council Corporate Plan 2015 – 2019.</p> <p>From the submitted bid it is clear Kings Arms Church have a desire to help people thrive in the community whether this is by way of furthering their involvement in adoption and fostering in Torbay as part of ‘starting well’. Or by hosting a local youth group night by helping young people in ‘developing well’.</p> <p>Additionally, they want to work alongside local people. For example, by facilitating community exercise groups, and helping people into employment</p>

	<p>through volunteer opportunities. This is part of 'living and working well'. The Church see themselves as having a key role in education and tackling isolation and loneliness in the older generation. This is part of 'ageing well'. This will help reduce demand through prevention and early intervention and by providing an integrated and joined up approach by working constructively alongside other agencies and organisations.</p>
5.	<p>How does this proposal/issue contribute towards the Council's responsibilities as corporate parents?</p> <p>The stated aims and objectives of Kings Arms Church should their bid be successful includes working with other agencies and organisations. This could include looked after children and care leavers under the control of Torbay Council Children Services who work in partnership with independent and voluntary sector services. This facility would provide a venue from which to provide relevant services.</p>
6.	<p>How does this proposal/issue tackle poverty, deprivation and vulnerability?</p> <p>The proposed future use of this asset may well help to address loneliness and isolation suffered by vulnerable people within our community.</p>
7.	<p>How does the proposal/issue impact on people with learning disabilities?</p> <p>n/a</p>
8.	<p>Who will be affected by this proposal and who do you need to consult with? How will the Council engage with the community? How can the Council empower the community?</p> <p>The property was listed as an Asset of Community Value in December 2018 and as a result placed an obligation of a 6 month moratorium on any future disposal.</p> <p>The 6 month moratorium was initiated in January 2019 and has given an opportunity for the community to prepare and submit a bid and proposal for this property. Cabinet on 23 July 2019 agreed to extend this period by a further 3 months.</p> <p>Consultation on the future of building has taken place with the local community by way of meetings and correspondence during this period.</p>

Section 2: Implications and Impact Assessment

9.	<p>What are the financial and legal implications?</p> <p><u>Financial Impact</u> – There will a negative financial impact to the Council if the property is sold at below market value. This financial impact is likely to be in the region of £55,000. The purchaser has provided evidence of significant community valued added benefit with projects and initiatives intended to be implemented at the property which the purchaser believes will offset the difference between the market value and the offer made.</p> <p>The disposal will provide a capital receipt of £30,000 to help supplement the capital programme. The disposal will reduce the Council’s liability of further maintenance spending and so relieve pressure on revenue budget savings.</p> <p><u>Legal Impact</u> – There are no legal implications anticipated with this disposal.</p>
10.	<p>What are the risks?</p> <p>If the disposal of this asset is not authorised then it is possible some of the community initiatives identified by Kings Arms Church will not materialise.</p> <p>A delay in the disposal will result in the repair and maintenance of the building remaining with the Council for a further period, resulting in an ongoing financial pressure.</p>
11.	<p>Public Services Value (Social Value) Act 2012</p> <p>n/a</p>
12.	<p>What evidence / data / research have you gathered in relation to this proposal?</p> <p>No research undertaken.</p>
13.	<p>What are key findings from the consultation you have carried out?</p> <p>No consultation undertaken.</p>
14.	<p>Amendments to Proposal / Mitigating Actions</p> <p>No amendments proposed pursuant to consultation with Torbay Council Legal Services team.</p>

Equality Impacts

15.	Identify the potential positive and negative impacts on specific groups			
		Positive Impact	Negative Impact & Mitigating Actions	Neutral Impact
	Older or younger people	Disposal will have a positive impact for older and younger people.		
	People with caring Responsibilities			There is no differential impact.
	People with a disability			There is no differential impact.
	Women or men			There is no differential impact.
	People who are black or from a minority ethnic background (BME) <i>(Please note Gypsies / Roma are within this community)</i>			There is no differential impact.
	Religion or belief (including lack of belief)	Disposal will have a positive impact.		
	People who are lesbian, gay or bisexual			There is no differential impact.
	People who are transgendered			There is no differential impact.
	People who are in a marriage or civil partnership			There is no differential impact.

	Women who are pregnant / on maternity leave			There is no differential impact.
	Socio-economic impacts (Including impact on child poverty issues and deprivation)	Disposal will have a positive impact on poverty and deprivation in the locality. The facility will provide a point of access of services and support.		
	Public Health impacts (How will your proposal impact on the general health of the population of Torbay)			There is no differential impact.
16.	Cumulative Impacts – Council wide (proposed changes elsewhere which might worsen the impacts identified above)	No.		
17.	Cumulative Impacts – Other public services (proposed changes elsewhere which might worsen the impacts identified above)	No.		