

**CABINET
30 NOVEMBER 2021**

DISPOSAL OF CREDITON TOWN SQUARE

Cabinet Member(s): Cllr Bob Evans- Deputy Leader and Cabinet Member for Housing and Property Services
Responsible Officer: Andrew Busby- Corporate Manager for Property, Leisure and Climate Change

Reason for Report: To seek Cabinet approval for the Lease of the Town Square Crediton to Crediton Town Council.

RECOMMENDATION: That Cabinet approve the Lease of the Town Square Crediton to Crediton Town Council.

Financial Implications: The Lease for the Town Square to Crediton Town Council will see a net saving operationally to the Council of circa £3.5k (based on 2019/20 financial year up-lifted for inflation) including the loss of income from the Crediton Farmers Market of £648.

Budget and Policy Framework: Disposal of assets for continued operation and development by third party where possible is an approved Asset Management action.

Legal Implications: A local authority is in the position of trustee in relation to land or property that it owns on behalf of the community, and under s.123 of the Local Government Act 1972, it has a statutory duty to dispose of the land or property for the best price that can reasonably be obtained. The General Disposal Consent 2003 permits sale at an under value, provided such an under value is under £2 million and the disposal will help to secure the promotion or improvement of economic, social or environmental well-being of its area.

The Town Square Crediton consists partly of land that is subject to restrictions imposed by an agreement dated 6th April 2004 between 1) Southwest of England Regional Development Agency 2) Mid Devon District Council 3) Wessex Reserve Forces & Cadets Association and 4) Devon Fire Authority. This agreement provides that Mid Devon will have to repay the grant funding from SWERDA (now Homes England) if Mid Devon dispose of any part of the land whether by a freehold transfer or the grant of a lease. The requirement to repay the funding will not apply in respect of the grant of a lease if Mid Devon first obtains consent from Homes England. That consent has been obtained in principle but Homes England have stressed that they will want to approve the final form of lease once it is agreed with Crediton Town Council.

The Council is also required to give notice under section 123(A) of the Local Government Act 1972 where it intends to dispose of any open space.

Risk Assessment: The Town Square presents a risk to the Council for slips, trips and falls and in the management of activities on the Town Square. Obtaining prior consent to the terms of the lease will ensure that the Council is not at risk of repayment of monies to Homes England (as successor to the South West Regional Development Agency).

Equality Impact Assessment: The asset is not being lost to the community. Leasing the asset to Crediton Town Council will give greater opportunity for all members of the community to enjoy the Town Square with the enhanced promotion and use it will receive under the local management of the Town Council.

Relationship to Corporate Plan: This proposal enables the continued and enhanced provision of a community asset while reducing operational cost and risk to the Council.

Impact on Climate Change: Reduction in fuel and therefore emissions from Council Officers travelling to the square for operational requirements.

1.0 Introduction/Background

- 1.1 In support of a community led initiative in conjunction with Crediton Town Council (CTC) supported by the then South West Regional Development Agency ('SWRDA') in 2006 the Council constructed Crediton Town Square on its land, and adjacent land previously the site of the town Fire Station. The Fire Station was relocated to other Council land more suitable to that service provision as part of the project in a land swap exercise. Attached to this report is a plan of the site at Annex A.
- 1.2 A condition of the SWRDA funding is that the Town Square remains as a Town Square and that it cannot be disposed of by a freehold transfer or grant of a lease without the grant funding provided being repaid. The only exception to the requirement for repayment is where a lease is granted with the consent of SWRDA (now Homes England).
- 1.3 CTC already manages some activities on the Square and is keen to have fuller control of the Town Square to further improve the facility as an asset for the town within the terms of the grant funding.
- 1.4 CTC have approached the Council requesting the grant of a lease of the Town Square to their authority to more formally recognise the current agreement and their autonomy. CTC currently have agreement with the Council to manage casual use of the Town Square for charitable events and table licences for surrounding businesses. There is no intention for the Town Square to be used for anything other than its intended purpose.
- 1.5 The Council has discussed the potential of CTC taking on the adjacent public conveniences at Market Square, with the transfer. CTC are not currently in a position to take those facilities on. CTC have recently purchased the Freehold of the Newcombes Meadow public convenience, however CTC have committed to reviewing the position again within the next two financial years.

2.0 Financial and Budgetary

- 2.1 The annual net operational cost for 2019/20 financial year was circa £3.5k direct cost (inflated to reflect the gap year due to the pandemic). That is part of the overall annual budget for Markets of circa £80k consisting of £44k direct cost and £36k indirect cost.
- 2.2 The Council currently has an agreement with Crediton Farmers Market for their use of the Town Square with annual income of £684. This income, which is considered in the net indirect cost above, will be lost to the Council and transfer to Crediton Town Council with a new licence arrangement between those parties.
- 2.3 The Lease of the Town Square will enable its best use as an asset for Crediton and its surrounds. The Town Council are best placed to promote and deliver this in their community.
- 2.4 The Lease will remove the operational risk of safety, day-to-day maintenance and management of users.
- 2.5 The Council will retain an interest in capital expenditure in maintaining the structure and integrity of the Town Square and provision should still be made in the Capital Programme and Medium Term Financial Planning. A recently completed refurbishment should negate the early need for that expenditure, although performance of drainage remains of some concern that the Council will work with CTC to resolve.

3.0 Recommendation and Conclusion

- 3.1 It is recommended that Cabinet approve the proposal to the lease Crediton Town Square to Crediton Town Council for a term of 25/30-years for the continued operation of the Town Square for its originally intended purpose. The annual rent will be a peppercorn and the lease will remove operational risk and cost to the Council.
- 3.2 To review the transfer of the public convenience at Market Street, Crediton to CTC in the 2022/23 financial year.

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Circulation of the Report: Cabinet, Leadership Team and Group Managers.

List of Background Papers: None

