

# FAREHAM

## BOROUGH COUNCIL

### Report to the Director of Finance and Resources for Decision

<b>Portfolio:</b>	Policy and Resources
<b>Subject:</b>	Locks Heath Memorial Hall – Asset Disposal
<b>Report of:</b>	Head of Leisure and Corporate Services
<b>Corporate Objective:</b>	A Dynamic, prudent and progressive Council

#### **Purpose:**

This report considers the bids received for the sale of the Locks Heath Memorial Hall site.

#### **Executive summary:**

At the September 2017 Executive meeting, members considered a report regarding the future of Locks Heath Memorial Hall.

The report outlined the history of the Hall, stating that in January 2016, the Council were made aware that the Locks Heath Community Association only had one remaining trustee who, at that time, wanted to stand down from the position which meant that the Association would be in default of the lease and there would be no one to operate and manage the building.

Following extensive but unsuccessful efforts to find new trustees, arrangements were made to relocate the remaining user groups. When the relocation of the groups was successfully completed, the Executive agreed that the Hall was surplus to the Council's requirements and was to be placed on the open market for sale.

A further progress report was then taken to the September 2018 Executive, where St John's Church made a deputation, stating its interest in acquiring the Hall, and requesting that a management arrangement be made with the Church, rather than selling the site on the open market.

The Executive agreed that the decision to sell the site on the open market should not be reconsidered but that the Church be invited to submit its best and final offer to purchase the site for their purposes.

This report provides the Director of Finance with information regarding the bids received for the sale of the Locks Heath Memorial Hall site.

All bids are detailed in the confidential table marked Appendix A.

Details of the non-financial bid submitted by St John's Church are in the confidential document marked Appendix B.

**Recommendation:**

That the sale of the site is awarded to bidder number 1 as listed in Appendix A.

**Reason:**

To consider the bids received for the purchase of the Locks Heath Memorial Hall site and approve the sale to a selected bidder.

**Cost of Proposals:**

The cost of the process can be met from within existing budgets. Any capital received from the sale of the site will be used as a contribution towards the £9 million costs of constructing Holly Hill Leisure Centre.

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## BOROUGH COUNCIL

### Briefing Paper

**Date:** 18 October 2018

**Subject:** Locks Heath Memorial Hall – Asset Disposal

**Briefing by:** Head of Leisure and Corporate Services

**Portfolio:** Policy and Resources

#### Introduction:

1. Following the Executive's decision in September 2017 to dispose of Locks Heath Memorial Hall and obtain a capital receipt for the Council, this report considers the bids received for the sale of the Locks Heath Memorial Hall site.

#### Background:

2. Locks Heath Memorial Hall and the surrounding land it sits upon is owned by Fareham Borough Council. The original build is dated to 1922 and the property was purchased by the Council from the Church in 1966, free of covenants for the sum of £2,200, as the Church did not wish to retain it and run it. The Hall was not registered as a war memorial and does not appear on the UK War Memorials List.
3. The Hall was operated by a community association, as a community use building. The hall is served by WCs, a small kitchen, storage facilities and a secure outdoor space, but is in poor condition overall.
4. In January 2016, the Council was made aware that the Locks Heath Community Association only had one remaining trustee who wanted to stand down. The implication for this was that the Association would be in default of the lease and there would be no one to operate and manage the building.
5. The Locks Heath Community Association had been experiencing ongoing issues with its governance arrangements, limited use of the facility and a deterioration of the internal fabric of the Hall.
6. The Council has an arrangement with "One Community", an organisation which provides help and support to community and voluntary organisations, and One Community was asked to take on a temporary administrative role to keep the facility open.

7. Whilst assisting in this capacity, One Community also sought to recruit new trustees to the Community Association to enable it to continue to function. A meeting took place on 16 November 2016 with the existing user groups to establish if they would consider standing as trustees, but there was no interest, and as a result the Association folded.
8. The property was, and still is, in poor condition, not fit for purpose and would require a significant amount of capital investment to bring it up to an acceptable standard.
9. As the Association had defaulted on the lease, the practical responsibility for the building fell to the Council. In the circumstances, the Council had no option but to identify alternative accommodation for the existing users of the Hall.
10. All the user groups were assisted in finding suitable, alternative accommodation, in other nearby community facilities, offering a far better standard of facility for them to deliver their activities.

### **Disposal of the Asset:**

11. In September 2017, the Executive was asked to consider a report on the future of the Memorial Hall. It was vacant, boarded up, in poor condition and not fit for purpose.

The Executive approved the following recommendations;

- (a) the Locks Heath Memorial Hall is declared surplus to the Council's requirements;
- (b) an outline planning application is submitted for residential use of the site;
- (c) subject to the receipt of planning consent, the site is placed on the open market for potential purchasers to submit offers on a competitive basis; and
- (d) acceptance of an offer is delegated to the Director of Finance and Resources following consultation with the Executive Leader.

12. At this time, the Council agreed, that the funds from the sale of any assets that were identified for disposal within the Western Wards would be used as a contribution to the overall cost of the construction of Holly Hill Leisure Centre, amounting to £9 million, which is a most significant asset that is available for all Western Ward residents to use.
13. Following the Executive's decision to dispose of the Hall, a nomination for the property to be registered as an Asset of Community Value was received from St Johns Church.
14. After extensive research, considering the Localism Act 2011 Regulations and Guidance, and taking advice from the Solicitor to the Council, the Church was

advised that the Council was unable to register Locks Heath Memorial Hall as an Asset of Community Value.

15. The overall conclusion was that Locks Heath Memorial Hall has very limited community value. Prior to the Hall's closure in 2017, it was only used for approximately 30% of the times available for hire per annum. Neither the Council nor One Community have received any direct enquiries from anyone wishing to book the Hall since the Association relinquished the building back to the Council in January 2016.
16. A further report 'Locks Heath Memorial Hall Progress Report' was taken to the Executive in September 2018 after St John's Church stated that its interest in the Hall had not been considered.
17. The Executive agreed that the decision to sell the site on the open market should not be reconsidered but that St John's Church be invited to submit its best and final offer to purchase the site.

#### **Procurement:**

18. There is a significant capital value attributable to the Locks Heath Memorial Hall site. Funds raised from the sale of the Hall, or indeed the sale of other land or property assets in the Western Wards would be used to help fund the overall cost of £9 million for Holly Hill Leisure Centre, a facility enjoyed by all members of the local community, throughout the Western Wards.
19. Outline planning permission was granted on 24 May 2018 (P/18/0246/D4) for the demolition of the Locks Heath Memorial Hall and construction of a single chalet style bungalow.
20. The site was placed on the open market on 19 June 2018 by the Council's retained agent Hellier Langston. This method of disposal was chosen to ensure maximum market coverage could be achieved, with offers sought from interested parties on a competitive basis to achieve best consideration.
21. Interested purchasers were invited to submit bids from 19 June 2018 to 20 July 2018. Due to the application from St John's Church to have the property designated as an Asset of Community Value, the sale was put on hold.
22. This was extended by a further 28 days to allow St Johns Church time to submit its best and final offer to purchase the site following the Executive's recommendation on the 3 September 2018.

#### **Proposal:**

23. On the 1 October 2018, 9 bids were received. Their Report of Offers are presented in the confidential table marked appendix A.
24. 8 of the 9 bids submitted for the site were from those solely wishing to purchase the site for the redevelopment of a single storey dwelling. The remaining bid received was from St Johns Church Locks Heath.

25. The offer and business plan submitted by St John's Church have been marked as appendix B.

26. Hellier Langston then recommended a preferred bid to FBC.

**Conclusion:**

27. A range of bids have been received for the purchase of the Locks Heath Memorial Hall site. The offers were worked through by Hellier Langston looking for compliance with our selection criteria; with matters such as credentials, track record, timetable, deliverability and conditionality taken into consideration. The bids are summarised in the confidential appendix A.

28. Any funds raised from the sale of the Locks Heath Memorial Hall will be used as a contribution to the £9 million overall cost of the Holly Hill Leisure Centre within the Western Wards.

29. It is recommended that officers proceed with a disposal of the asset to the preferred bidder.

**Background papers:**

Report to Executive, 11 September 2017 – Locks Heath Memorial Hall – Asset Disposal

Report to the Executive, 3 September 2018 - Locks Heath Memorial Hall Progress Report