

Report of the Interim Deputy Chief Executive

FUTURE OF THE TOWN HALL, BEESTON – PROPOSALS SUBMITTED1. Purpose of the report

To report to Committee the community proposals received for the Town Hall in Beeston and to recommend accordingly.

2. Background

Members will recall the reports and meetings of 3 October 2017, 6 February and 17 April 2018 relating to the future of the Town Hall in Beeston. In April Committee resolved to invite four community groups to submit more detailed proposals for the future of the Town Hall and to use a framework approved by Committee to help assess those proposals.

A summary of the scoring framework is given in appendix 1, along with the legal framework.

Members will also be aware that an application by the Beeston & District Civic Society to have the Town Hall listed was unsuccessful. More recently an application by the same group to have the Town Hall listed as an asset of community value was also unsuccessful.

3. Proposals submitted

The Council launched an invitation to submit detailed proposals on 18 April 2018 and the closing date was 15 June 2018. One church subsequently declared it was no longer interested, and the student co-operative was not able to meet the deadline despite being given a modest time extension. The exempt appendix 2 contains further details and recommendations, but the two bids received were as follows:

- A proposed CIO (Charitable Incorporated Organisation) based on a number of Beeston-based community groups.
- A Beeston-based church “plant” from a major church elsewhere in Nottingham.

4. Financial implications

These are given in appendix 2, which is exempt due its commercial sensitivity.

Recommendation

The Committee is asked to CONSIDER the proposals received and the recommendations in appendix 2 and to RESOLVE accordingly.

Background papers – 2 x bids received

APPENDIX 1

Summary of the scoring framework
(the full version was presented to Committee in April 2018)

Element	Weighting
Commercial (purchase price / rent)	35
Robustness of organisation	10
Financial standing	15
Proposed use – specific reference to retention of building or features, public access, contribution to vibrancy and vitality of town centre, strengthen community.	15
Business case	20
Statement of community benefit	5
TOTAL	100%

How we will score commercial element of applications (35%):

We will score rent or purchase offers using the following formula:

$$\frac{\text{Your bid}}{\text{Highest alternative bid}}$$

NOTE:

- Rental bids that are not straight line (i.e. they are stepped or similar) will be averaged over the first 5 years.
- If the highest alternative bid is less than the target figures set out in this ITT, then the latter will be used.

EXAMPLES:

- If your bid is a rent of £35,000 per annum and the highest alternative is £55,000, you will score 0.636 (35,000/55,000)
- If you offer £250,000 to buy the property and the highest alternative is £500,000, you will score 0.5 (250,000/500,000)

How we will score the quality element of applications (65%):

Score	Requirements to attain Score
0	Completely unsatisfactory/unacceptable response No response to the question or serious deficiencies in meeting the required standards. The risk to the Council is very high.
1	Poor response The proposals provide only limited evidence that the specified requirements will be met and / or demonstrate significant omissions and / or demonstrate only a limited level of quality. The risk to the Council is high.
2	Acceptable response in most areas The response is compliant in most areas, but in some areas falls short of the required standards. The proposals provide evidence that reasonable quality will be met where detailed, but with some material omissions. The risk to the Council is medium.
3	Good response The response is compliant and meets the contract standards. The proposals provide evidence that the specified requirements will be met, with no more than minor omissions and where any concerns are only of a minor nature, and demonstrate reasonable quality. The risk to the Council is low.
4	Outstanding response The response is fully compliant, with no omissions, and clearly indicates a full understanding of the contract. The proposals provide strong evidence that all of the specified requirements will be consistently delivered to a high level of quality. The risk to the Council is very low.

Legal Requirements when selling an Asset

(Fuller details were given in the Council's Land Disposals policy approved by this Committee on 21 November 2017.)

Section 123 - Local Government Act 1972

In general, the Council is required to achieve the 'best consideration reasonably obtainable' when it is disposing of land and properties.

General Consent

If a Council seeks to dispose of land or buildings at less than the market value it has to obtain the consent of the Secretary of State for Communities and Local Government. However, the Secretary of State has issued a number of 'general consents' i.e. a set of conditions which, if they apply to a particular transfer, means that the Council does not need to obtain specific permission to transfer at an 'undervalue'. However, the undervalue itself still needs to comply with 'normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer'.

The most important of these consents is the General Disposal Consent 2003 ('the General Consent' – Circular 06/2003) which permits the Council to dispose of land at less than its market value, without the need to seek specific permission from the Secretary of State, provided that:

- (a) The purpose for which the land is to be transferred is likely to contribute to the **'promotion or improvement' of the economic, social or environmental well-being of the area**; and
- (b) The difference between the market value of the land and the actual price paid for the disposal (if any) is not more than £2,000,000.

Commentary

The Town Hall has been independently valued by two external chartered surveyors and both valued it at significantly less than £2,000,000.

Because there is no prospect of the difference between offer price and market value exceeding £2,000,000 then Secretary of State consent for a sale or disposal at less than market value would *not* be required. This *would* allow the Council to consider a lower offer *if* it deemed it contributed sufficiently to the promotion or improvement of the economic, social or environmental well-being of the area.