

STROUD DISTRICT COUNCIL
STRATEGY AND RESOURCES COMMITTEE

AGENDA
ITEM NO

13 OCTOBER 2016

8c

Report Title	ASSET REVIEWS
Purpose of Report	To update committee on progress of the programme of asset reviews
Decision(s)	<p>Strategy & Resources Committee RESOLVES :</p> <p>1) <u>Stroud Management Agreement Assets:</u> a) To note the terms agreed for the transfer of Stroud Cemetery, Bank Gardens and Sims Clock and approve a capital payment of £115,000 to Stroud Town Council</p> <p>OR, if agreement has not been reached with Stroud Town Council on these terms by the date of this meeting:</p> <p>b) To take back the management of Stroud Cemetery, Bank Gardens and Sims clock in house, pending a decision on the long term future of the assets.</p> <p>2. <u>Cemetery Chapel</u> To dispose of the former Cemetery Chapel on the open market on terms to be agreed by the Head of Asset Management in consultation with the Chair of Strategy and Resources Committee, subject to first refusal being given to Stroud Town Council to purchase with a time limit of 3 months to make a decision.</p> <p>3) <u>The Subscription Rooms</u> To set up a Task and Finish Group to look at how Stroud Subscription Rooms can best serve the diverse needs of the wider Stroud community on a cost effective basis with the understanding that the current level of subsidy is not sustainable. To bring an initial report back to Strategy and Resources in January 2017 and Community Services and Licensing in February 2017. The terms of reference to be determined by Group Leaders.</p>

<p>Consultation and Feedback</p>	<p>Negotiations have taken place with Stroud Town Council for the asset transfer of Stroud Cemetery, Bank Gardens and Sims Clock. An “in principle” agreement has been reached but will be reported to a special meeting of Stroud Town Council on 29th September for approval. A further meeting of the Town Council will be held on 10th October and a verbal update will be given at committee.</p>
<p>Financial Implications and Risk Assessment</p>	<p>If Stroud Town Council agree to the proposed transfer</p> <p>The report sets out the terms agreed with Stroud Town Council around the transfer of various assets. A contribution of £115,000 would be payable on transfer. This would be offset by revenue savings of £43,000 per annum from 2017/18 which would initially be used to fund the initial contribution. The report also sets out a potential disposal of the Cemetery Chapel that would generate a capital receipt.</p> <p>If Stroud Town Council DOES NOT agree to the proposed transfer</p> <p>The report sets out the option to bring back in-house the management of Stroud Cemetery, Bank Gardens, Sims clock and the former Cemetery Chapel following Stroud Town Council's decision not to accept the terms around their transfer. Consideration will need to be given by members as to how the assets are managed in house to ensure that the cost of bringing the service back can be accommodated within existing resources. The current budget set a side is £43,000. In the longer term, the council would need to make a decision on their future use.</p> <p>Further discussion on the Subscription Rooms will take place over the coming months, the outcome of which will be reported back to the committee later in the civic year.</p> <p>David Stanley, Accountancy Manager Tel: 01453 754100 Email: david.stanley@stroud.gov.uk</p>
<p>Legal Implications</p>	<p>Subject to the proposed disposals complying with section 123 of the LGA 1972 and/or the terms of the General Disposal Consent 2003 there are no material legal implications arising from this report.</p> <p>Alan Carr, Solicitor Tel: 01453 754357 Email: alan.carr@stroud.gov.uk</p>

Report Author	Jill Fallows Property Manager Tel: 01453 754433 Email: jill.fallows@stroud.gov.uk
Options	As set out in the report
Performance Management Follow Up	Complete the transfer of assets to Stroud Town Council by March 31 st 2017 or bring the management of the assets back in house with effect from 31 st March 2017 Continue discussions with Kingshill House Trust and report back to committee early in 2017 Set up a Task and Finish Group to explore the options for Stroud Subscription Rooms and report back to Committee early in January 2017

1. Background

1.1. A report was presented to the Strategy & Resources Committee on 1st October 2015 informing committee of the proposed procedure for and rolling programme of property reviews. Committee was also given feedback/updates on properties that had been sold or had been the subject of recent committee reports.

1.2. Reviews have been carried out in respect of the Stroud Management Agreement (Stroud Cemetery, Bank Gardens and Sims Clock), Phase 3 Oldends Lane, Stonehouse, Miles Marling Field, Nailsworth Fountain and land at Springhill in Nailsworth. Terms have been offered to Nailsworth Town Council and negotiations have been ongoing with Stroud Town Council for the disposal of Stroud Cemetery, Bank Gardens and Sims Clock.

2. Stroud Cemetery, Bank Gardens & Sims Clock, Stroud

2.1. The Management Agreement with Stroud Town Council which includes Bank Gardens, Sims Clock and Stroud Cemetery, expired in March 2016. The agreement was extended for 12 months at the request of the Town Council to enable detailed discussions to take place and a further payment of £43k made in line with the terms of the Agreement.

2.2. **Cemetery Chapel** The former chapel is not included in the Management Agreement but the Town Council has had the benefit of occupying this building free of charge as a depot for the duration of the agreement. The chapel, with potential for residential or commercial redevelopment, (subject to planning), has a guide price of £175,000 in its current condition

2.3. Terms for the transfer of all three assets have now been agreed, in principle, subject to the payment of a capital sum (dowry) of £115,000 by this Council and first refusal being given to Stroud Town Council to purchase the former chapel at market value, together with an assurance that it will not be put on the market until April 2017 at the earliest.

- 2.4. This will give the Town Council the opportunity to carry out a feasibility study to look at potential uses for the former chapel and funding to support such uses. If the Town Council decides it does not wish to purchase it, or terms cannot be agreed in the three month period, the chapel will be put on the market.
- 2.5. The terms offered takes into account the level of the annual fee the Council currently pays, income and expenditure for the cemetery and the condition surveys of the properties.
- 2.6. A special meeting of the Town Council was due to be held on 29th September for approval of this proposal after this report went to print. The offer made by the Stroud District Council is considered a good offer and over a year has passed since negotiations began. If agreement is not reached, officers recommend that the District Council takes the management of the assets back in house, reviews how they are operated, before making a decision on the future of the assets, including the former Cemetery Chapel.

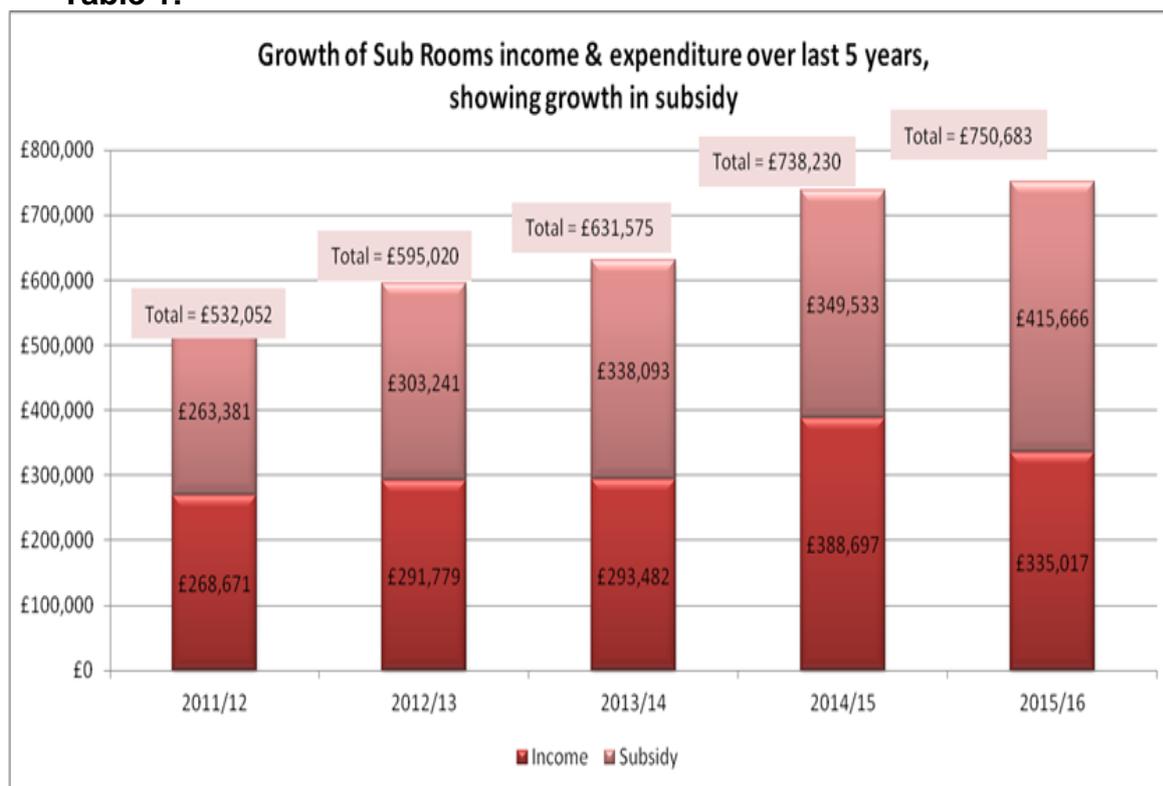
3. Kingshill House

- 3.1. The history and background of Kingshill House was described in detail in the report to Strategy and Resources Committee in October 2015 and the review is ongoing. The property is currently let and operates as an arts and community centre providing classes, workshops and performances. It also offers room hire for general use and social events.
- 3.2. Discussions have taken place with representatives of the Kingshill House Trust who have expressed an interest in taking on the asset, on terms to be agreed, but is not in a position to do so this year. It does however have a business plan in place, focusing on increasing income and with a capital grant (for works to the building fabric), expects to be in a position when it may be able to take ownership of the property.
- 3.3. Further discussions will take place with the Trust to test the robustness of the business plan and options for the building explored including discussion with it, Cam Parish and Dursley Town Council. Progress will be reported back to this committee.

4. Stroud Subscription Rooms

- 4.1. Based on the Asset Review Programme the Subscription Rooms are due to be reviewed in 2017. Preliminary work has started on the review and condition surveys, valuations and other background information is being collated to inform the process. The Sub Rooms budget shows a continuing and increasing deficit.
- 4.2. The graph below shows income and expenditure for the service over 5 years. Last year the Sub Rooms cost the tax payer £415,666, a subsidy increase of around 57% since the last review in 2012. To put it another way, while 50,000 people used the venue last year, they were publicly subsidised by over £8 each.

Table 1:



4.3. In spite of an improved programme, the deficit is increasing year on year and the need to review the use of the asset is pressing. The Task and Finish Group will be exploring the options; which will include retention, the disposal of the asset to a community interest group/Trust on terms to be agreed and the disposal of the asset on the open market as with other assets.

4.4. No formal discussions have taken place with the key stakeholders or any community groups as yet to explore any opportunities, nor has any public consultation been carried out. The Subscription Rooms is included in the Register of Assets of Community Value.

4.5. However, because of the building's prominence and importance to the town centre and the cultural service provided by the Council from it, it is proposed that initial discussions take place with key stakeholders to explore the options in greater detail and a 'drop-in' event is held at the Subscription Rooms to inform the public and seek opinions on the review. An initial report will be brought back to this committee proposing a framework for the review in January.

4.6. Staff are aware of the review and will be kept informed and involved in the review as it progresses.

5. Woodchester Mansion

5.1. The Woodchester Mansion Trust has a 99 year lease (with 73 years remaining) of this Grade 1* listed building at a rent of £1 per annum. The review of Woodchester Mansion is in its preliminary stages. Officers have been meeting with representatives from the Trust, discussions will

continue and options for the future of the building will be brought back to committee.

6. Property Update

- 6.1. Members have previously asked for feedback/updates on properties that have been sold or have been the subject of recent Committee reports. These are set out below with other notable cases the service is dealing with:
- 6.2. Gossington Depot The site for a new waste transfer station was acquired last year at Gossington. The build was undertaken by way of a design and build contract and the depot is scheduled for completion in late October. Once completed, a lease will be granted to UBICO to occupy the depot as part of the new Multi-Service Contract.
- 6.3. Phase 3 Oldends Lane The Councils headlease is due to expire in December 2016. Negotiations are continuing with the freeholder to settle the dilapidations claim.
- 6.4. Littlecombe Officers are in negotiations with St Modwen to build more small business units (18,000 sq ft in total comprising of a range of unit sizes) on the Business Park which is valuable to the council as a new employment zone, integrating work and housing development. We hope to be in contract with St Modwen by December 2016 and (subject to planning permission) construction could start in February 2017 with a view to completion by December 2017.
- 6.5. Castle Street Car Park Gloucestershire County Council has put the sale of Castle Street Car Park in Dursley on hold, pending a review to consolidate core workers in a new hub in the library. Allocated staff parking is an important incentive for these work roles, in contrast to all other premises where staff parking is not provided. Discussions with the County Council are continuing.
- 6.6. Housing Revenue Account (HRA) Progress in respect of HRA assets will be the subject of regular updates to Housing Committee.