



REPORT TO:	COUNCIL
DATE:	15 MAY 2014
REPORT OF THE:	CHIEF EXECUTIVE JANET WAGGOTT
TITLE OF REPORT:	SALE OF RYEDALE BOWLS CLUB
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 This report considers the offers received for the sale of the council asset known as Ryedale Bowls Club.

2.0 RECOMMENDATIONS

- 2.1 That Council is recommended to approve the sale of the Ryedale Bowls Club to the Ryedale Community and Leisure Club with the following financial implications:
- (i) an immediate capital receipt of £230k;
 - (ii) £10k per year for 12 years with interest (this receipt to be subject to a second legal charge on the building in the Council's name); and
 - (iii) that the £50k shortfall on the overall receipt currently assumed at £400k included within the capital programme is taken from unallocated capital resources and the delayed capital receipt in (ii) above is managed through Council reserves.

3.0 REASON FOR RECOMMENDATIONS

- 3.1 The recommendation enacts the Council resolution to sell the site, delivers a capital receipt to the authority from a site which was not achieving a market rent and creates a sustainable community facility which includes the continued provision of indoor bowls.

4.0 SIGNIFICANT RISKS

- 4.1 The significant risk is that the new facility is unable to meet the annual payments to the Council. This risk is mitigated by extensive discussions with the RCLC, review of their business plan and assumptions and the Council taking a second charge on the property (after the mortgage). In addition the Council has a lien (charge) over the fixtures and fittings, will retain the income from the solar panels until the debt is full

paid off, will receive interest at 1.5% above base rate on the outstanding sum and in the event the site is sold at some point in the future for alternate use the Council will receive a share of the uplift in value.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 This decision is in line with Council resolution.
- 5.2 Members have been involved extensively in the proposed sale, community asset listing and licence to occupy since the decision to sell.

REPORT

6.0 REPORT DETAILS

- 6.1 At Council on the 6 September 2012 Members resolved:

That Council authorise Officers to negotiate with the Ryedale Indoor Bowls Club to facilitate the sale of the building with vacant possession.

- 6.2 This took place and vacant possession was secured at the conclusion of the 2012/2013 Bowling Season in April 2013. The Council placed the property on the open market and interest was received from a number of parties.

- 6.3 At the extraordinary meeting of Council on the 9 May 2013 it was resolved by Council:

This Council recognises the desire for a full size Indoor Bowls facility within Ryedale. Norton on Derwent town council has today submitted a nomination to register the Ryedale Indoor Bowls Club as an Asset of Community Value under the Localism Bill 2011.

In view of this action Full Council agrees to:

- a) *Delay the proposed sale of the site whilst the application for registration of the Club is determined in line with the requirements of the Localism Bill 2011; and*
 - b) *Should the nomination to register be successful, work with a steering group made up of users of the club and an appropriately qualified expert to develop a business plan which will lead to a sustainable future for the facility.*
- 6.4 The Bowls Centre was registered as a Community Asset on the 26 June 2013. An expression of interest to bid for the asset was received from a Community Interest Group and as a result the Council cannot now sell the asset until the 26 December 2013. This moratorium on the sale allows the Community group time to work on their proposal to purchase. Members should be aware that the Community Interest Group do not receive any preferential status in purchasing the asset, just the right to bid and time to prepare their bid.
 - 6.5 A licence to occupy the site was approved by Council on the 5 September 2013 for the Ryedale Community and Leisure Centre. This has been extended on a month by month basis.
 - 6.6 Following the ending of the moratorium the site has been marketed and the agents report on that exercise is attached at Annex A to this report.

7.0 IMPLICATIONS

7.1 The following implications have been identified:

a) Financial

The Council's capital programme as approved with the budget in February 2014 by Council includes the assumption of a £400k capital receipt for the sale of the site. The proposals within the report manage the shortfall and delay in receiving the capital sums. Should members not want to use reserves to manage the delayed payment alternative funding for the capital programme would need to be identified.

b) Legal

There are no significant new legal issues in considering the recommendations.

c) Other

There are no significant new other issues in considering the recommendations.

Janet Waggott
Chief Executive

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Background Papers:

None