

# **WAVERLEY BOROUGH COUNCIL**

## **EXECUTIVE**

**8 OCTOBER 2019**

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### **Title:**

**PROPERTY MATTERS - ASSET TRANSFER TO TOWN AND PARISH COUNCILS**  
**[Portfolio Holders: Councillor Beaman**  
**& Councillor Merryweather]**  
**[Wards Affected: Farnham, Haslemere, Witley & Wonersh]**

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### **Note pursuant to Section 100B(5) of the Local Government Act 1972**

This report contains exempt annexes by virtue of which the public is likely to be excluded during the item to which the report relates, as specified in the following paragraph of the revised Part 1 of Schedule 12 A to the Local Government Act 1972, namely:

Paragraph 3 Information relating to the financial or business affairs of any particular person (including the authority holding that information).

### **Summary and purpose:**

This report seeks approval for a number of asset transfers from the Council to Town and Parish Councils to coincide with the start of the new Grounds Maintenance Contract on the 1 November 2019.

This enables Town and Parish Councils to have full control over local green spaces in their respective areas and removes Waverley Borough Council from the responsibility and cost for grounds maintenance of those key sites.

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### **How this report relates to the Council's Corporate Strategy:**

The proposed asset transfers support the Council's ambition to see devolution of responsibility for delivering services devolved to Towns and Parishes where appropriate.

The new Ground Maintenance Contract tendering process allowed the opportunity to transfer the maintenance of greenspace assets to Towns and Parishes. All Towns and Parishes were asked if they wished to take on the maintenance requirement of the sites in their areas and ensures the sites continue to be used for the benefit of their local communities.

### **Equality and Diversity Implications:**

There are no Equality & Diversity implications as a result of this report

### **Financial Implications:**

The Council will relinquish the grounds maintenance responsibilities for the sites transferred. The saving will be achieved over a five year period as tapered funding will be given to Towns and Parishes under leasehold transfers.

## **Legal Implications:**

The Council has power under the Local Government Act 1972 (section 123) to dispose of land in any manner they wish, including sale of their freehold interest or granting a long lease. The only constraint is that a disposal must be for the best consideration reasonably obtainable, unless the Secretary of State consents to the disposal. Under Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003, the Council may dispose of land for less than the best consideration in which the authority considers will help it “to secure the promotion or improvement of the economic, social or environmental well being of its area.” This applies in the case of the freehold and leasehold transfers of land to the Parish and Town Councils.

In relation to the freehold transfer, the Council should ensure that it complies with normal and prudent commercial practices, including an independent valuation.

The Transfer of Undertakings (Protection of Employment) Regulations 2006 (“TUPE”) needs to be considered for the Gostrey freehold transfer to Farnham Town Council and any implications for employees working at the site. It is expected that this could affect one person.

Lease heads of terms have not been fully agreed by the Council and the Town and Parish Councils, however all have received draft leases.

## **Climate change implications:**

There are no climate change implications as a result of the transfer of assets to Town and Parish Councils.

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## **Background**

1. The re-tendering of the Council’s grounds maintenance contract offered an opportunity to give Town and Parish Councils the chance to take over management and maintenance of sites within their area through asset transfers. This transfer requires the Council to relinquish its grounds maintenance responsibilities for these sites, make a financial saving and give the Town and Parish Councils the opportunity to take over the maintenance requirements without being encumbered by the Council’s contract, providing more local control.
2. All Town and Parish Councils were asked in 2017 whether they wished to consider taking over more maintenance and management responsibilities of sites through asset transfers in their area. Whilst most declined, four Town and Parish Councils indicated they would like to take up asset transfers; Farnham and Haslemere Town Councils and Witley and Womersley Parish Councils. The sites involved are detailed in Annexe 1.
3. The majority of transfers will be leasehold transfers for a term of 125 years. Under the lease arrangements the Town and Parish Councils will take on full repair and maintenance responsibilities of the land in its entirety, all associated costs, utilities, inspections and liabilities. The proposed Heads of Terms of the lease agreement are detailed in Exempt Annexe 2. Currently, Witley is the only Council to have formally

agreed these; Wonersh, Farnham & Haslemere are yet to provide their formal approval.

4. Whilst all the formal approvals are yet to be provided, general agreements in principle have been given by the Clerks, to enable the sharing of draft lease documents to keep the process moving along, due to the current grounds maintenance contract ending at the end of October 2019. The draft leases have been shared with all Councils by our appointed solicitors and comments fed back from the Town & Parish council appointed solicitors. Farnham, Haslemere Town Council and Wonersh Parish Council are sharing the same solicitor. Witley Parish Council have approved the lease on 5 September 2019 and Wonersh Parish Council are seeking approval in October.
5. In addition to the leasehold transfers, members of the Executive asked officers to work up a proposal for a freehold transfer of Gostrey Meadow to Farnham Town Council given its scale and location. The proposed heads of terms and detail of the transfer is set out in Exempt Annexe 3, and this has been shared with Farnham Town Council.
6. The freehold transfer requires a property valuation to determine whether Farnham Town Council would need to pay Waverley a one-off capital sum for the acquisition. The site has been valued by an external valuer on the basis of open space for community use together with the numerous existing rights which will prevent development, and on the basis of full cost transfer at point of acquisition. The valuation and associated report can be viewed by the link in Exempt Annexe 4.
7. It is proposed that the leasehold transfers will be subject to a tapered funding arrangement over five years. The arrangement will achieve savings to the Council in the Grounds Maintenance contract as follows:

Year of contract	Funding arrangement % of cost met by WBC	Cumulative Saving
2020/2021	100%	£44,038*
2021/2022	75%	£59,948
2022/2023	50%	£76,625
2023/2024	25%	£94,099
2024/2025	0%	£112,399

\*The freehold transfer to Farnham Town Council of the Gostrey Meadow will not be subject to a tapered funding arrangements so will deliver a full year saving of £44,038 from 2020/2021.

8. The asset transfers need to be completed by the start of the new Grounds Maintenance Contract, which commences on 1 November 2019, to provide certainty to our new grounds maintenance contractor and to enable the finalisation of the contract bill of quantities.

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### **Recommendation**

It is recommended that:

1. The leasehold transfer of assets, as detailed in Annexe 1 be approved;
2. The tapered funding arrangement for the leasehold transfers be approved; and
3. The freehold transfer of the Gostrey Meadow, Farnham to Farnham Town Council be approved.
4. Delegated authority is given to officers to finalise the heads of terms and complete the necessary legal document(s) with the Town and Parish Councils for the transfer of assets, with detailed terms and conditions to be agreed by the Strategic Director, in consultation with the relevant Portfolio Holder(s).

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### Background Papers

There are no background papers (as defined by Section 100D(5) of the Local Government Act 1972) relating to this report.

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### CONTACT OFFICERS:

**Peter Vickers**  
Head of Finance

**Telephone:** 01483 523539  
**E-mail:** [peter.vickers@waverley.gov.uk](mailto:peter.vickers@waverley.gov.uk)

**Kelvin Mills**  
Head of Commercial Services

**Telephone:** 01483 523432  
**E-mail:** [Kelvin.Mills@waverley.gov.uk](mailto:Kelvin.Mills@waverley.gov.uk)