

Policy Group – 18 April 2018

Local Government Reorganisation

1. Purpose of report

To seek approval to a policy for the transfer of council assets to town and parish councils prior to the creation of the Dorset Council on 1 April 2019.

2. Summary

- 2.1 The Secretary of State for Housing, Communities and Local Government has decided to create two new unitary councils in Dorset to replace the existing nine councils. All of the Council's assets will transfer to the new Dorset Council on 1 April 2019 unless the Council disposes of them in the meantime.
- 2.2 The proposal to create two unitary councils was a response to continuing austerity across local government. The legislation requires the existing councils to co-operate in the creation of the new councils. This could include co-operating in ensuring the new Dorset Council is financially sustainable. This would mean transferring to the new council all of those assets which are capable of generating net income as well as those which are needed to deliver statutory services.
- 2.3 The Council owns some small parcels of land, often on housing estates, which are retained as open space. The report proposes that such land is transferred to those parish councils which would like control of this land. It also suggests the transfer of assets which are of local amenity value including the Manor Road car park in Bere Regis and the toilets in Corfe Castle and Studland be offered to the appropriate town and parish councils.
- 2.4 The Council has very little legal resource to deal with land transfers. It is therefore suggested that the Solicitor to the Council appoints local solicitors to deal with any transfers to the town and parish councils with the cost being met from the Council's reserves.
- 2.5 The Timson Trust cottages in Langton Matravers are let to local people elderly people. Under the terms of the lease no rents can be charged on the properties but the tenants make money contributions which are used to maintain the properties. The Solicitor to the Council has reviewed the trust deeds and considers the trust could be bought out by a payment of £15,000. This would then allow the Council to charge an appropriate rent and bring the cottages on to the Council's balance sheet. When the cottages are next vacant the Council (or its successor) could use them as temporary accommodation.

3. Recommendation

- 3.1 The submission of a report to Council be approved proposing:
 - 3.1.1 All assets required for the delivery of statutory services and those capable of generating income are transferred to the new unitary Dorset Council;
 - 3.1.2 Property held as public open space, free car parks and the public toilets at Corfe Castle and Studland be offered to the appropriate town and parish councils;

- 3.1.3 Where the property to be disposed of comprises public open space, the Chief Executive is delegated authority to determine objections received following the public notice;
- 3.1.4 The Solicitor to the Council be authorised to appoint local solicitors to complete the transfers and an exception from the Contract Procedure Rules requiring tenders be granted; with the cost met from the Council's reserves; and
- 3.1.5 The responsibility under the Timson Trust is discharged by the payment of £15,000.

4. Policy issues

4.1 How will this affect the environment, social issues and the local economy

- 4.1.1 The transfer of small parcels of land to town and parish councils will allow them to be managed more locally and hence effectively.

4.2 Implications

4.2.1 Resources

The proposed policy will have no impact on the value of assets owned by the Council and transferred to the new unitary council. The transfer of a free car park, public toilets and some open space will result in minor savings in running costs of and maintenance.

The Council has insufficient legal capacity to complete many transfers of small parcels of land. The policy will require the use of high street solicitors to complete the transfer of the land. The likely cost cannot be assessed because the number of transactions is unknown and it is recommended that an exception be made to the Contract Procedure Rules should it appear that the threshold for tenders is likely to be exceeded as and when the level of interest from parish councils is known. It is proposed the legal costs are met from the Council's reserves.

4.2.2 Equalities

The proposed policy has no impact on people with protected characteristics.

5. Further information

5.1 Background

- 5.1.1 On 26 February 2018 the Secretary of State for Housing, Communities and Local Government issued a Ministerial Statement confirming his decision to implement local government reorganisation across Dorset by abolishing the existing nine councils and replacing them with two new unitary councils. One will cover the conurbation of Bournemouth, Christchurch and Poole and the other will cover the remainder of the county.
- 5.1.2 The reorganisation of local government will be completed by Parliamentary approval to a series of Statutory Instruments. The first of these is the Structural Change

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Order, which was laid in Parliament on 28th March 2018. This Statutory Instrument is expected to receive Parliamentary approval around the beginning of June. This Order will formally abolish the existing councils and create the new councils. It also covers the political management of the transition via a Shadow Council and a Shadow Executive; the number of Councillors for the new councils and their electoral arrangements.

5.1.3 Following the approval of the Structural Change Order by Parliament, the Secretary of State will lay consequential orders. These will cover the transfer of functions, property, rights and liabilities; finance; employees; and other matters. These Orders are likely to be laid in Parliament in July. They are likely to follow the Negative Statutory Instrument route to approval by Parliament. This means they are likely to be approved by Parliament very quickly. The Orders will provide for the transfer of all existing functions, property, rights, assets, liabilities, contracts, finance and staff to the appropriate new unitary council on 1 April 2019. In the case of Purbeck, this will be the new Dorset Council.

5.2 The Council's property assets

5.2.1 The practice of the District Council over many years has been to transfer property with no development value to Town and Parish Councils, where they want it. As a consequence, the Council does not have extensive property holdings across the district. On 1 April 2019 all of the Council's property holdings will transfer to the new Dorset Council. The following schedule outlines the Council's property holdings:

Property	Use
Westport House	Administrative building for district services and children's services
Westminster Road Depot	Depot for Dorset Waste Partnership
Heritage Centre, the Square, Swanage	Heritage Museum run by a trust and public toilets operated by the Town Council
Dorset Innovation Park	Enterprise Zone shared with Dorset County Council
Purbeck Business Centre	Business Centre (partnership arrangement)
Rempstone Barns	Business Centre (partnership arrangement)
Kings Court	Business Centre
Norden	Travel Interchange
Streche Road, Wareham	Car Park leased as part of Wareham Walls
Rempstone, Wareham	Car Park at Sainsburys
Bonnets Lane, Wareham	Two Car Parks
Connegar Lane, Wareham	Car Park leased from Wareham Burial Board
West Street, Corfe Castle	Car Park
Manor Road, Bere Regis	Free Car Park
Davenport Close	Temporary Housing
Cologne Road	Temporary Housing
Timson Cottages, Langton Matravers	Two cottages let to elderly local people under a trust arrangement

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Watery Lane, Studland	Public Toilets
Lulworth Cove	Public Toilets being transferred to Estate
West Street, Corfe Castle	Public Toilets in car park
Marsh Way, Swanage	Play ground
Moreton Play Park	Play ground
Upton Wood	Amenity Area

- 5.2.2 In addition, the Council owns a large number of small pockets of land associated with housing estates. Some of these are areas of open space on former council housing estates but where the majority of dwellings had been sold under the “right to buy”. These were not transferred to the Housing Association at the time of the “Large Scale Voluntary Transfer”, whereas those areas of open space where the majority of dwellings had not been sold were transferred to the Housing Association. There are also small areas of open space on estates which had been acquired as part of a Section 106 agreement when the estates had been built.
- 5.2.3 The rent for the building used by the Heritage Museum in Swanage is a peppercorn, despite its capital value being £0.25m. However, the Museum wants to relocate from these premises in the near future. After the museum has vacated the premises, the rental value of the property will be in the order of £15,000 per annum.
- 5.2.4 The temporary housing units at Davenport Close and Cologne Road help the Council to meet its duties in respect of homelessness.
- 5.2.5 The Timson Cottages in Langton Matravers are two small listed cottages which were bequeathed to the Council to be used to house elderly people in the area. They are managed by a Trust which includes members of the Parish Council and the District Council. The tenants do not pay rent but make monthly contributions which have met the maintenance needs of the properties. Recently, legal advice has indicated the Council could bring the cottages onto its balance sheet at full market value and charge rent on the properties by making a payment of £15k to clear the terms of the trust.
- 5.2.6 All of the Council’s public toilets have, in the past, been offered to the relevant parish council. Other Council toilets were taken over by the parish councils. In the case of the three remaining toilets the parish councils rejected the approach, although Corfe Castle Parish Council would have taken responsibility for the West Street toilets if the Council would also have transferred the West Street car park to the parish council. The toilets at Lulworth Cove will be transferred to the Lulworth Estate once the Estate has secured planning permission for the site.
- 5.2.7 The Council has been left with the playgrounds at both Marsh Way and Moreton. However, continued ownership of them does not fit with the Council’s normal approach to play grounds.
- 5.2.8 The Council has owned and managed Upton Wood for some years.

5.3 Impact of local government reorganisation

- 5.3.1 Since local government reorganisation became a possibility, there has been speculation amongst town and parish councils about the extent to which the

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proposed new unitary council would want to delegate functions and services to them. The Joint Committee for the Dorset area initiated a task and finish group to consider the way in which the new Dorset Council can work with local town and parish councils in the future. However, the work of the task and finish group has paused so the Joint Committee can establish a vision and operating model for the new Council.

5.3.2 The extent of the way the new Council will work with town and parish councils cannot be gauged. However, it is extremely unlikely that the new Council will delegate any statutory functions or services to town and parish councils. They may be encouraged to get involved in the delivery of non-statutory local amenity services.

5.3.3 Several of the town and parish councils in the district have asked whether the District Council would be prepared to transfer ownership of some of its assets to them. Specific requests have been received from Corfe Castle Parish Council, Langton Matravers Parish Council and Worth Matravers Parish Council. In addition, more general requests have been received from both Swanage and Wareham Town Councils. The specific requests are for the transfer of:

- West Street car park and public toilets and Norden to Corfe Castle Parish Council;
- The Timson Trust Cottages to Langton Matravers Parish Council; and
- Begbie Field (which is public open space) to Worth Matravers Parish Council.

5.4 Proposed Policy

5.4.1 The Structural Change Order requires all of the existing councils in Dorset to co-operate with the successor councils. This is primarily aimed at ensuring legally compliant and effective councils are created on 1 April 2019. This could be taken to include ensuring the new councils are financially sustainable because they have the assets they need to both deliver their services and generate the income they need to finance their services.

5.4.2 It is suggested the Council's policy in dealing with requests for the transfer of its assets should be to transfer all assets used in the delivery of statutory services and those capable of generating income streams should be transferred to the new Dorset Council. Property held as open space and amenity land should be offered to the appropriate town and parish council. This would include land held as open space and public toilets in Corfe Castle and Studland and Manor Road car park in Bere Regis.

5.4.3 As members will recall from other recent reports, Section 123 of the Local Government Act 1972 authorises the Council to dispose of land in any manner it wishes. The power is not unfettered. First, the Council must not dispose of land, otherwise than by way of a short tenancy, for less than best consideration without the consent of the Secretary of State. Secondly, where the land is open space, the Council must advertise the intention to dispose of the land in a local newspaper for two consecutive weeks and consider any objections received. Open space for these purposes means "any land laid out as a public garden, or used for the purposes of public recreation, or land which is a disused burial ground." It is proposed that the consideration of any objections is delegated to the Chief Executive.

5.4.4 Under the terms of the General Disposal Consent the Secretary of State has given consent where the Council considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident in its area:

- the promotion or improvement of economic well-being;
- the promotion or improvement of social well-being;
- the promotion or improvement of environmental well-being; and

the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).

5.4.5 It is considered that the disposals would enhance the position of the parish council to which the land is transferred and would consequently promote social well-being. Given the nature of the parcels owned by the Council is such that it would be highly unlikely that any individual parcel would have a value that exceeded the financial threshold.

Background papers:

There are none.

For further information contact:-

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