# Agenda Item 12



# SHEFFIELD CITY COUNCIL Cabinet Report

Report of:	Executive Director – Resources Executive Director - Place
Date:	18 <sup>th</sup> September 2013
Subject:	Proposed Disposal of the former Firth Park Library, Firth Park Road, Firth Park, Sheffield, S5
Author of Report:	Dave Wood, Place Nick Slater, Resources

#### Summary:

Firth Park is a registered charity (Charity Registration Number 1104444) and the Council hold the parkland on charitable trust. This report seeks approval for the sale of the former Firth Park Library, to Dawat-e-Islami UK, a registered charity (Charity Registration Number 1110114) and Islamic organisation established to advance the Islamic faith and to help the poor and needy. This organisation was selected following an informal tender exercise inviting bids from local community organisations.

The building had previously been declared surplus and leased to Community North Forum (Sheffield) Limited, which had held the premises on a 125 year lease from 2005. Following the winding up of this organisation, the property was formally surrendered back to the Council in October 2012.

#### **Reasons for Recommendations:**

The sale of the property will result in the disposal of a surplus property asset for a capital receipt, the removal of an on-going maintenance liability and the purchaser intends to continue with its community use for the foreseeable future.

#### **Recommendations:**

It is recommended that:

- 1. All necessary action is taken in accordance with the powers given to the Council as Trustee under the provisions of Section 15(d) Trustee Act 1925.
- 2. As Trustee of the Firth Park at Sheffield, South Yorkshire Charity, to approve the sale of the former Firth Park Library in accordance with terms of this report and a Surveyor's Report obtained in connection with the sale of the property, in accordance with the requirements of the Charities Act 2011. The receipt obtained from the sale is transferred to the respective Trust.
- 3. The Director of Legal and Governance is authorised to prepare and complete all necessary documentation to conclude the sale in accordance with the agreed terms.
- 4. Notice under Section 121 of the Charities Act 2011 to be given in the local press to notify people within the beneficial area that the Charity Trustees intend to dispose of the freehold interest in Firth Park Library.

Background Papers:	None
Category of Report:	OPEN

Financial Implications		
YES Cleared by: Paul Schofield 15 July 2013		
Legal Implications		
YES Cleared by: David Blackburn 17 July 2013		
Equality of Opportunity Implications		
YES - positive Cleared by: Michelle Hawley 17 July 2013		
Tackling Health Inequalities Implications		
YES/NO		
Human rights Implications		
NO:		
Environmental and Sustainability implications		
NO		
Economic impact		
NO		
Community safety implications		
NO		
Human resources implications		
NO		
Property implications		
YES –cleared by Nalin Seneviratne 23 July 2013		
Area(s) affected		
Firth Park (Firth Park Ward)		
Relevant Cabinet Portfolio Leader		
Cllr Bryan Lodge – confirmed proceed on revised sale price 31 July 2013		
Relevant Scrutiny Committee if decision called in		
Scrutiny Management Committee		
Is the item a matter which is reserved for approval by the City Council?		
Νο		
Press release		
NO		

# Statutory and Council Policy Checklist

# **REPORT TO CABINET** 18<sup>th</sup> September 2013

#### PROPOSED DISPOSAL OF THE FORMER FIRTH PARK LIBRARY, FIRTH PARK ROAD, FIRTH PARK, SHEFFIELD, S5

#### 1. Summary

- 1.1 Firth Park is a registered charity (Charity Registration Number 1104444) and the Council hold the parkland on charitable trust. This report seeks approval for the sale of the former Firth Park Library, to Dawat-e-Islami UK, a registered charity (Charity Registration Number 1110114) and Islamic organisation established to advance the Islamic faith and to help the poor and needy. This organisation was selected following an informal tender exercise inviting bids from local community organisations.
- 1.2 The building, shown by red outline on the attached plan, was purpose built as a library in the 1930's but this use ceased some years ago. It was subsequently declared surplus and leased to Community North Forum (Sheffield) Limited on a 125 year lease from 2005. Its use limited to a community café, recycling centre, adult education centre and other community uses.
- 1.3 The Council took over management of the building during the winding up of the organisation, with the property being finally surrendered back to the Council in October 2012. This role was always seen as being temporary so when an expression of interest was made by Dawat-e-Islami, one of the user groups, to purchase the building, councillors were informed of the intention to sell at the meeting of the North East Community Assembly on 12<sup>th</sup> September 2012 and the building was included in the September 2012 Councillor's Disposal List. No objections were received to the proposed disposal.
- 1.4 As other user groups had previously expressed an interest to purchase, all were invited to submit bids on 21<sup>st</sup> September 2012; however the only bid received was from Dawat-e-Islami UK, as detailed in the appendix to this report.
- 1.5 Following receipt of the offer from Dawat-e-Islami the heating system at the building has suffered a complete failure and will need to be replaced. The Council has reached agreement with the purchaser that they will replace the heating system in return for a reduction in price. This has been reflected in the surveyor's report.

#### 2. What does this mean for Sheffield people?

2.1 The proposed disposal will result in a capital receipt to be reinvested by the Council, as Trustee of the Charity, in the Park, subject to charitable objects and the requirements of the Charity Commission, and will allow for the continued use of premises for community purposes.

#### 3. Outcome and sustainability

3.1 The disposal of the property to Dawat-e-Islami UK will result in its continued use as a community facility.

# 4. Property Implications

- 4.1 In accordance with the Charities Act 2011 a Section 119 Surveyor's Report dated 26 day of April 2013 has been prepared and attached for Cabinet's consideration; as Charity Trustees for and on behalf of the Firth Park at Sheffield, South Yorkshire Charity. The Surveyor's Report advises that the offer represents best consideration and that it meets with the estimate of Market Value as defined by the latest Royal Institution of Chartered Surveyors Valuation Professional Standards. The Council as Trustee must obtain best consideration for the disposal and any disposal should be on the basis as set out in the Surveyor's Report.
- 4.2 This Report has been prepared in accordance with instructions from the Council that the interest to be conveyed will be freehold with no restrictions limiting the future use of the building.
- 4.3 Prior to exchanging contracts, it will be necessary for the Charity Trustees to give notice under Section 121 of the Charities Act 2011. The notice will advertise the Charity Trustees general intention to dispose of the freehold interest in Firth Park Library. If they fail to give notice, the agreement for disposal will be invalid.

#### 5. Financial implications

5.1 The money raised from the disposal of charitable land will be retained by the Council as Trustees of the Charity. This capital must be applied in accordance with the charitable objects, The general objects of the charity are the provision of a public park or pleasure grounds, but part of the park may be used for the purpose of promoting the benefit of the inhabitants of Sheffield without distinction of sex or of political, religious or other opinion by associating the local authorities, voluntary organisations and inhabitants in a common effort to advance education and to provide facilities in the interests of social welfare for recreational and leisure-time occupation with the object of improving the conditions of life for the said inhabitants. Any wish to use the capital outside these objects would require the consent of the Charity Commission, which would not be granted unless they could be satisfied that the proposal was in the best interests of the charity.

5.2 The purchase price and yearly ground rent paid to the Council by Community North Forum (Sheffield) Limited was funded as part of a Single Regeneration Budget (SRB) Funding Agreement. The sale of this property will not however result in a claim for clawback by the Government in respect of the SRB Funding Agreement as these rights have been waived.

#### 6. Legal implications

- 6.1 The legal implications relating to the charitable status are contained within the body of this report and inform the recommendations being made to Cabinet.
- 6.2 Formal consent from the Charity Commission has been obtained for the disposal of Firth Park Library to Dawat-e-Islami UK.

# 7. Human rights implications

7.1 There are no specific human rights implications arising from the proposed sale.

### 8. Environmental and sustainabilty implications

- 8.1 The proposed disposal will not result in any immediate change to the existing use of the property. Any future development will be subject to planning policy and the sustainability requirements of any planning conditions.
- 8.2 The disposal is essentially the building with only a very small area of additional land. Its potential for alternative uses will therefore be precluded by the lack of dedicated parking and Open Space allocation in the Local Plan.

# 9. Equality of opportunity implications

9.1 There are no specific equal opportunities implications associated with this report.

#### **10.** Alternative Options

10.1 The Council could continue to let the property for community use but this would produce a very low return compared to full market value.

# 11. Reasons for recommendations

11.1 The sale of the property will result in the disposal of a surplus property asset for a capital receipt, the removal of an on-going maintenance liability and the purchaser intends to continue with its community use for the foreseeable future.

#### 12. Recommendations

- 12.1 It is recommended that:
  - 1. All necessary action is taken in accordance with the powers given to the Council as Trustee under the provisions of Section 15(d) Trustee Act 1925.
  - 2. As Trustee of the Firth Park at Sheffield, South Yorkshire Charity, to approve the sale of the former Firth Park Library in accordance with terms of this report and a Surveyor's Report obtained in connection with the sale of the property, in accordance with the requirements of the Charities Act 2011. The receipt obtained from the sale is retained by the respective Trust.
  - 3. The Director of Legal and Governance is authorised to prepare and complete all necessary documentation to conclude the sale in accordance with the agreed terms.
  - 4 Notice under Section 121 of the Charities Act 2011 to be given in the local press to notify people within the beneficial area that the Charity Trustees intend to dispose of the freehold interest in Firth Park Library.

