Overview of Crediton Council Office Building

In 2016 the Town Council commissioned Devon Communities Together to undertake a feasibility study regarding the building and its use. This concluded there is substantive evidence regarding the value of the Council Office building remaining a community hub and its contribution to the reduction of the negative impacts on rural isolation and its positive contribution towards social, educational, health and wellbeing of the local community.

Further useful information regarding the series of events

1 In 2016-17, Crediton Town Council negotiated with Mid Devon District Council (MDDC) officers to purchase the Market Street Council Office building at a cost of £95,000 – half of the restricted* value subject to the following:
   - MDDC undertaking all structural works to the building, in order to make it structurally sound.
   - MDDC undertaking all work necessary to ensure that the building meets the minimum required rating standard of E.
   - To include all fixtures, fittings and contents. For the avoidance of doubt this includes the railway sign and memorabilia, which were gifted to the Town Council and all wall hangings (pictures, paintings etc.)

2 This offer represented parity with the sale of Tiverton Town Hall to Tiverton Town Council. Tiverton Town Council purchased Tiverton Town Hall for 50% of the restricted value and MDDC agreed and paid for works to be undertaken to the building, to ensure it was of an acceptable standard before completion.

3 MDDC's Capital Asset Strategy Management Group resolved to accept Crediton Town Council's bid in April 2017. This decision was communicated to the clerk of Crediton Town Council by email on 27th April, and on 25th May, that it would be put to the Cabinet on 6th July.

4 On 6th July 2017, no such decision was ratified by the Cabinet. The Town Council assumed, therefore, that the asset might be disposed of via the open market at full commercial value and that it could happen quite quickly. On 11th July 2017, the Town Council applied to register the building as an Asset of Community Value under the Localism Act 2011. This legislation gives communities time to try to save a community asset if faced with its commercial sale.

5 When a registered community asset is to be sold, the legislation triggers a six month moratorium on the sale. It gives any interested community group, including the town council, six weeks in which to express an interest in bidding and the remainder in which to try to negotiate the purchase.

6 The owner may not sell during the moratorium, with the one exception of selling to a community group. (It is important to note that *Regulation 13 of the Assets of Community Value (England) Regulations 2012* classifies a Town/Parish Council as a community group.)

7 The MDDC Scrutiny Committee, 28th September 2017, was told that the sale in Crediton must be treated differently to the town hall sale in Tiverton because the Crediton asset had been registered. It could now not be sold for six months. That is not correct: see paragraph 6 above. The monitoring officer read to the committee the relevant legislation. (See also paragraphs 9.5 and 9.6 of *Community Right to Bid: Non-statutory advice note for local authorities*). The lack of parity between Crediton and Tiverton has nothing to do with the registration of the asset or the Community Right to Bid.

8 The Local Government Act 1972: General Disposal Consent (England) 2003 gives Mid Devon District Council the ability to sell the building undervalue where it can be shown that the sale would contribute to the promotion and improvement of economic and social well-being of the community. (See also MDDC Asset Management and Capital Strategy Plan 2016-2020, Appendix 2, 1.3-1.7)

9 At a MDDC full Council meeting held on 21st February 2018, Cllr Letch put forward the following motion:

> 'I ask Council to urge Cabinet to agree to the sale of the Crediton Council Office Building to Crediton Town Council on the same basis as the sale of Tiverton Town Hall to Tiverton Town Council, where precedent has already been set, which is 50% of the buildings restricted value.'

This motion was carried 23 For, 3 Against and 11 Abstentions

10 On 10th May 2018, MDDC Cabinet resolved that subject to contract, to dispose of the Crediton Office building to Buyer 2 on the terms set out in paragraph 3.5 of a report, (which has not been released in the public domain) because:

(a) The offer from Buyer 2 is the best offer put forward during the marketing period and it is a clear indication of the best consideration which can be reasonably obtained;

(b) The offer from Buyer 2, although below the most recent unrestricted valuation, would not require vacant possession and thus save time and money in securing the transfer;

(c) The Council realises a significant capital receipt and gives up future liability for an asset which is surplus to the Council's requirements.

(d) The offer from Crediton Town Council would result in disposal of the office for a capital receipt which was less than 50% of the restricted value.

11 The Cabinet decision made on 10th May 2018, was called in by MDDC's Scrutiny Committee and considered on 21st May 2018. The Scrutiny Committee resolved that the Cabinet be requested to reconsider its decision to dispose of the building to Buyer 2 and that the Town Council be allowed to make a final offer for the building.

12 It must be noted at this point that MDDC had had the building revalued and had not advised the Town Council of the new restricted value, which had increased since the initial valuation in 2016.

13 On the 10th May 2018, MDDC's CEO, Mr Stephen Walford agreed to the disclosure of the new restricted value of the Council Office building to the Town Council.

14 On 23rd May 2018, the Town Council submitted a new offer to MDDC, which was £102,500, being half of the new restricted value. The offer was also subject to the following:

- MDDC undertaking all structural works to the building in order to make it structurally sound.
- MDDC undertaking all work necessary to ensure that the building meets the minimum required rating standard of E.
- To include all fixtures, fittings and contents. For the avoidance of doubt this includes the railway sign and memorabilia, which were gifted to the Town Council and all wall hangings (pictures, paintings etc.)

The Town Council was most insistent on parity with the sale of Tiverton Town Hall to Tiverton Town Council and the offer made reflected this.

15 The Cabinet reconsidered its decision on 14th June 2018 and resolved that its original decision would stand.

16 By purchasing the building, the Town Council wished to secure a long term base for its services and for the cluster of other community organisations that it currently accommodates, including Citizens Advice, Community Transport, Churches Housing Action Team, Devon in Sight and Child in Care Service etc.

17 By agreeing the sale to the Town Council, as per its bid, Mid Devon District Council would have promoted the economic and social well-being of the Crediton community. Conversely, the loss of the council offices as a service hub will impact negatively on our most vulnerable residents in particular.

* Restricted Value is the value of the building if is used by public bodies and charities.