

SURREY COUNTY COUNCIL**CABINET MEMBER
DECISION**

DATE:	26 NOVEMBER 2024
REPORT OF CABINET MEMBER:	NATALIE BRAMHALL, CABINET MEMBER FOR PROPERTY, WASTE AND INFRASTRUCTURE
LEAD OFFICER:	DIANE WILDING, DIRECTOR OF LAND AND PROPERTY
SUBJECT:	LAND AND CLUBHOUSE AT MERSTHAM FC, WELDON WAY, MERSTHAM
ORGANISATION STRATEGY PRIORITY AREA:	GROWING A SUSTAINABLE ECONOMY SO EVERYONE CAN BENEFIT/ TACKLING HEALTH INEQUALITY/ ENABLING A GREENER FUTURE/ EMPOWERING COMMUNITIES

Purpose of the Report:

This report seeks Cabinet Member approval to declare land at the former Merstham Library (also known as Merstham Football Club) formally surplus to operational requirements and to facilitate its disposal to Reigate and Banstead Borough Council (RBBC).

A separate part 2 report contains information which is exempt from Access to Information Requirements by virtue of Schedule 12A Local Government Act 1972, paragraph 3, "Information relating to the financial or business affairs of any particular person (including the authority holding that information)".

Recommendations:

It is recommended that the Cabinet Member:

1. Formally declares the asset surplus to operational requirements in consultation with the Leader and Deputy Leader.
2. Approves the proposed transfer of Surrey County Council's (the Council) legal interest in the asset to RBBC on the terms outlined in the part 2 report.
3. Delegates authority to the Director of Land and Property, in consultation with the Executive Director for Environment, Property and Growth to finalise the transaction and conclude all associated legal agreements.

Reason for Recommendations:

- Cabinet has previously endorsed rationalisation of the surplus estate.
- When the Council sold some land at its former Merstham Library site in 2021, a legal title issue was identified relating to the adjacent Football club pavilion, which was constructed across separate titles one owned by the Council and the other by RBBC.

- This report seeks to rectify the Title matter through a formal transfer of the Council's freehold title to RBBC.

Executive Summary:

1. The Council sold the former library site (edged red on the Plan attached as Appendix 1 in 2021 to Raven Housing Trust at which time the Council retained lands edged blue (the clubhouse) together with rights over the access way (shown brown).
2. Merstham FC occupy the clubhouse which was built (inadvertently) astride both the Council's and RBBC freehold lands.
3. A lease was originally entered into on 12 December 1988 with the Football club trustees (Fred Setters and Frank Fox). This lease expired but has been "held over" for many years since, due to the conveyancing issue around a single clubhouse sitting across 2 separate land ownership titles.
4. Sorting this out led to the proposal for the Council to transfer its residual freehold to RBBC so that RBBC can fully control the clubhouse and ensure formal leasing put in place for the club and community uses.
5. Agreements to transfer have taken the past 3 years to finalise on the following simple bases.
 - RBBC to pay a consideration to the Council for their residual freehold (the land edged blue with rights of access).
 - Conditions: Club house and community use only.
 - No dilapidation responsibilities for the Council.

Conclusions

6. The Council and RBBC have been working together to resolve and rectify a legacy title constraint.
7. Subject to concluding final documents, RBBC will be able to formalise arrangement for the use of the pavilion.
8. To initiate and facilitate the process a formal surplus declaration is also required.

Risk Management and Implications:

	Risk Description	Mitigation
1	Funding	RBBC are fully responsible for funding the purchase and ongoing responsibility for the asset.
2.	Borough Council withdraws	Unlikely given its impact on delivering services and enabling use of the pavilion by the community and football club.
3	Building	RBBC will take on full responsibility subject to any subsequent leasing to its community partners.

4	Net Zero Carbon targets	RBBC will be responsible for delivery of any design and net zero carbon standards, as may arise from its own adopted policies.
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Financial and Value for Money Implications:

9. The proposal arises from collaborative discussions between the Council and RBBC to enable a rectification of the title, and which enables full control and management of the pavilion to be transferred to the RBBC with its community partners.
10. All building and land maintenance matters will pass officially to RBBC.
11. There is no impact on revenue as the asset was not income producing given its legal constraints.
12. Legal Services will be instructed to conclude all associated legal papers and to ensure the Council comply with their legal and statutory obligations, going forward.

Section 151 Officer Commentary:

13. The Council continues to operate in a very challenging financial environment. Local authorities across the country are experiencing significant budgetary pressures. Surrey County Council has made significant progress in recent years to improve the Council's financial resilience and whilst this has built a stronger financial base from which to deliver our services, the cost-of-service delivery, increasing demand, financial uncertainty and government policy changes mean we continue to face challenges to our financial position. This requires an increased focus on financial management to protect service delivery, a continuation of the need to deliver financial efficiencies and reduce spending in order to achieve a balanced budget position each year.
14. In addition to these immediate challenges, the medium-term financial outlook beyond 2024/5 remains uncertain. With no clarity on central government funding in the medium term, our working assumption is that financial resources will continue to be constrained, as they have been for most of the past decade. This places an onus on the Council to continue to consider issues of financial sustainability as a priority, to ensure the stable provision of services in the medium term.
15. The proposal in this report supports the wider strategy for asset rationalisations and the capital receipt supports the funding of the capital programme, as assumed in the MTFS. There is no revenue impact. As such, the Section 151 Officer supports the recommendation.

Legal Implications – Monitoring Officer:

16. This paper seeks Cabinet Member approval to declare land known as the former Merstham Library, Weldon Way, Merstham, Surrey RH1 3QB (the property) surplus to operational requirements and to transfer the land to RBBC to rectify a historic title issue.
17. Under Section 123 of the Local Government Act 1972 (LGA 1972), local authorities have the power to dispose of land in any manner they wish, subject to the disposal being for the best consideration reasonably obtainable. In pursuing any options to

dispose, the Council should ensure that the price for any such disposal is ‘market value’ to comply with Section 123 LGA 1972.

18. The Cabinet Member has been asked to formally declare this asset as surplus to operational requirements at recommendation 1. For any such declaration, the Council’s internal processes and any relevant guidance and statutory requirements must be followed.
19. Due regard to the Council’s fiduciary duties to residents in respect of utilising public monies should be considered, and the Cabinet Member will want to satisfy themselves that the recommendations set out in this report represents an appropriate use of the Council’s resources.
20. All relevant steps and necessary checks as to the source of funds should be carried out during the transaction in accordance with the Council’s Anti-Money Laundering procedures.
21. Legal advice should be sought to ensure the Council meets its obligations throughout all stages of the transaction.

Equalities and Diversity:

22. A full Equality Impact Assessment is not needed as this proposed disposal does not impact adversely on any specific parties, but a disposal and rectification of title is seen as a benefit for the wider community given it relates to a community pavilion.

Other Implications:

23. The potential implications for the following Council priorities and policy areas have been considered. Where the impact is potentially significant a summary of the issues is set out in detail below.

Area assessed:	Direct Implications:
Corporate Parenting/ Looked After Children	None arising from this report.
Safeguarding responsibilities for vulnerable children and adults	None arising from this report.
Environmental sustainability	None arising from this report.
Compliance against net-zero emissions target and future climate compatibility/resilience	A property disposal has no specific implications. Net Zero Carbon policy frameworks of RBBC are otherwise supported by the Council.
Public Health	None arising from this report.

What Happens Next:

24. Lawyers are instructed to finalise legal papers associated with this matter, subject to approval of this report.

Report Author: Graham Glenn, Head of Acquisitions and Disposals
Tel: 07890 561245

Consulted:

- Natalie Bramhall, Cabinet Member for Property, Waste and Infrastructure
- Simon Crowther, Executive Director, Environment, Property and Growth
- Diane Wilding, Interim Director, Land and Property
- Colin Galletly, Assistant Director, Estates
- Local Member
- Property Panel and Capital Programme Panel members
- Legal teams (Kara Burnett, Property Legal team)
- Finance team (Louise Lawson and Rachel Wigley)

Sources/background papers:

Appendix 1 - Site Plan

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