

KIRKBY STEPHEN TOWN COUNCIL

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Kirkby Stephen Visitor Information Centre

Report, Extraordinary Meeting 28 March 2022.

Freehold

The proposed transfer from Eden District Council to Kirkby Stephen Town Council is of the freehold title to the property (CU1146927).

Restrictive Covenant

It had previously been agreed that the wording of the Deed transferring the property to Kirkby Stephen Town Council as initially proposed should be varied to allow for wider community benefit. The revised wording of the restrictive clause in the draft deed to include the words '*other such use which benefits the local community*' was acceptable to both parties and settled the issues raised by the Town Council. The restrictive covenant now reads:

'The Town Council agrees that there will be no change to the use of the building as a Visitor Centre or other such use which benefits the local community of Kirkby Stephen and the wider Eden area without prior formal consent being given by the District Council, such consent not to be unreasonably withheld or delayed. Any request must be made in writing and delivered to the current main office address of the District Council.'

Basis of Acceptance

The Town Council has a power to accept a gift of property under the Local Government Act 1972 s.139.

'(1) Subject to the provisions of this section a local authority may accept, hold and administer—

- (a) for the purpose of discharging any of their functions, gifts of property, whether real or personal, made for that purpose; or
- (b) for the benefit of the inhabitants of their area or of some part of it, gifts made for that purpose; and may execute any work (including works of maintenance or improvement) incidental to or consequential on the exercise of the powers conferred by this section.'

In addition, provision exists in legislation for Local Councils to accept assets devolved from a higher tier of local government.

Rental

The building has been leased by the District Council to the Upper Eden CIC who operate a Visitor Information Centre from the ground floor and have permission to sub-let the upper floor under their existing lease. It is proposed to permit this arrangement to continue on transfer and to review on any change of tenant.

During the Covid 19 pandemic and pending the transfer of the asset the rent due from the Upper Eden CIC has been waived by the District Council. The Upper Eden CIC has indicated that paying a rent at the level due under the current lease would jeopardise its continuing operation.

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It is proposed to continue this arrangement with a new lease with a rent slightly in excess of the income obtained by subleasing and to commit the rent received to an Assets Reserve account to deal with the maintenance costs identified in the quinquennial survey and in anticipation of the need to ensure energy efficiency measures are implemented if required following the production of an Energy Performance Certificate.

Responsibility for payment of rates and all utilities will remain with the tenant.

The council will appoint a solicitor to act on its behalf and advise the Town Council in arranging the lease.

Insurance

The building will be insured for its rebuilding costs by the Town Council to a valuation to be provided by Lewis Surveyors. Eden District Council have advised that their current Asset Valuation is not suitable for insurance purposes and should be reviewed. Occupiers will be responsible for their own insurances.

Quinquennial Survey

Kirkby Stephen Town Council commissioned a quinquennial survey from Lewis Surveyors (19 November 2021) identifying packages of expenditure and maintenance required every five years. In this process a backlog of maintenance was identified.

The Town Council have been offered £13,000 by Eden District Council to fund the backlog of maintenance works identified in Lewis Surveyors' estimates and associated with the Visitor Centre Building. This will initially be added to a dedicated assets reserve account and drawn on as works are commissioned.

Asset Register

The building will be added to the Asset Register at a proxy valuation of £1 in line with the Asset Valuation Policy adopted by the council 6/11/2018 (ref. 5.a iii).

Other Considerations

The Town Council Currently makes a grant of £1,000 to the Upper Eden CIC to support its operation and has budgeted to do so in the 2022 2023 financial year using the free resource (section 137 of the local govt act 1972). It is recommended that the intention to pay this grant be reviewed/simplified in relation to the payment of rent.

Town Clerk. 23/3/2022.