



Committee and date

Cabinet

27th July 2016

12.30pm

**COMMUNITY ASSET TRANSFER:
BOG VISITOR CENTRE, STIPERSTONES**

Responsible Officer: Steph Jackson, Head of Commercial Services

Email: steph.jackson@shropshire.gov.uk Tel: 01743 258997

1. Summary

- 1.1 As part of the Council's core objective to strengthen our local towns and villages, the Strategic Asset Management team are working with town and parish councils, as well as the voluntary sector, to enable the transfer of suitable land and buildings to community groups and organisations.
- 1.2 The Community Asset Transfer (CAT) policy provides a framework and guidance to assess which transfers are viable and implement their transfer. The policy contributes to the Council's objectives as set out in the Asset Management Strategy Section 5: *Commission and work in partnership to empower communities. Release where appropriate through freehold transfer or leasehold transfer, properties to communities reducing revenue or maintenance burdens for non-core assets.*
- 1.3 This report summarises the assessment of the application made by the Bog Visitor Centre (Stiperstones) CIC in respect of the Bog Visitor Centre and has been considered by the Director of Commissioning and the recommendation is to progress to transfer by way of a 25-year lease which, in accordance with the CAT policy, is subject to Cabinet approval.
- 1.4 The asset requires ongoing maintenance and conservation in the future with an associated revenue burden. The Organisation have developed a business plan to fund ongoing repairs and improvements whilst continuing to support the interpretation for the Stiperstones upland region, part of the wider Shropshire Hills Area of Outstanding Natural Beauty, along with its mining history.

2. Recommendations

2.1 Cabinet agree, in principle, that the Organisation is granted a 25 year lease of the Asset with delegated authority to the Head of Commercial Services to agree final terms of the lease and to complete the transaction.

2.2 Reasons for decision:

2.2.1 The Bog Visitor Centre was established in 1996. There are now more than 20,000 annual visitors. The site plan is at Appendix A.

2.2.2 The Organisation has successfully managed the visitor service since 1993, some of the founding members are still involved. A reserve fund has been built up and will be spent on improving the building and funding the service.

2.2.3 The Organisation is a Community Interest Company. Any profit will be reinvested into the centre. A management committee is elected annually. Meetings are minuted and copies made available. Accounts will be independently certified.

2.2.4 The Organisation's successful running of the facility contributes to:

- Supporting the rural economy
- Conserving and enhancing the natural environment
- Improving people's health and wellbeing
- Conserving and enhancing the Shropshire Hills area of Outstanding Natural Beauty

There are no comparable facilities in the locality that the centre will impact upon.

2.2.5 The Organisation satisfies the criteria set out in the CAT policy details of how they meet the criteria and is contained in the Recommendation to Directors attached at Appendix B.

REPORT

1. Risk Assessment and Opportunities Appraisal

1.1. The Organisation has managed the Asset since 1993 and have been assessed following due diligence in the CAT policy to be able to ensure that all profit and surplus funds are reinvested back into the building and the service itself. A clear remuneration policy covers payments to all Members and Directors. The CAT will not be completed before the current lease expires, an interim Tenancy at Will is being arranged.

2. Equalities and Diversity Issues

4.1 The organisation plans to continue to support access to the centre through disabled parking, access ramps and disabled toilet provision.

1. Financial Implications

- 2.1. The original management license was completed in January 2007 and this will soon cease, the CAT transfer process has enabled appropriate terms to be agreed to transfer the asset to the organisation on a longer term basis.
- 2.2. Urgent repair works have recently been completed by Shropshire Council to keep the structure wind and watertight but due to the age of the building further works will be required over the next few years. This additional work has been factored into the business plan submitted by the CIC and will be paid for out of the reserve funds which the CIC has inherited from the previous management structure. The proposed 25 year lease should also enable the CIC to seek additional grant funding which may be required for future works and improvements.
- 2.3. Rent is proposed below market value at a peppercorn rate, because the Organisation will not be operating the facility on a commercial basis and is constituted as a Community Interest Company. Any profit will be reinvested into the centre. A management committee is elected annually and the accounts will be independently certified.
- 2.4. The Tenants can break the lease with 12 months' notice at any time expiring after the initial 5 year period.

6 Additional Information

- 6.1 The previous management arrangement ends on 30th June 2016 and an interim tenancy at will is to be terminated on completion of the CAT.
- 6.2 The proposed transfer complies with State Aid.
- 6.3 The proposed grant of the lease for a peppercorn is a sum that is less than market value for a lease of the building. The disposal by way of the grant of the lease at a peppercorn rent is covered by the Circular 6/03 Local Government Act 1972 General Disposal Consent 2003. This consent allows for the disposal of a property at less than best consideration where the disposal contributes to the promotion or improvement of one or more of economic, social and environmental wellbeing in the Council's area and where the difference in value is less than £2 million.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

CAT Application – 30th June 2015

Cabinet Member (Portfolio Holder)

Cllr. Robert Tindall Deputy Portfolio Holder for Estates and Built Assets
Cllr. Michael Wood Portfolio Holder for Corporate Support

Local Member

Cllr. Heather Kidd

Appendices

- A. Plan of site
- B. CAT Recommendation of Directors