



Committee and date

Cabinet

30 November 2016

12.30pm

**COMMUNITY ASSET TRANSFER:  
MARKET DRAYTON YOUTH CENTRE**

Responsible Officer: Tim Smith, Head of Business Enterprise and Commercial Services

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**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. The Community Asset Transfer (CAT) policy provides a framework and guidance to assess which transfers are viable and implement their transfer.
- 1.2 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 A report summarising the assessment of an application made by Phoenix Centre Association in respect of Market Drayton Youth Centre, TF9 3AD has been considered by the Director of Place and Enterprise and the recommendation is to progress to transfer by way of a 99-year lease which, in accordance with the CAT policy, is subject to Cabinet approval.

**2. Recommendations**

- 2.1 That, in principle, Phoenix Centre Association ("the Organisation") are granted a 99-year lease of the Market Drayton Youth Centre with delegated authority to the Head of Business Enterprise and Commercial Services to agree final terms of the lease and to complete the transaction.

## **REPORT**

### **1. Risk Assessment and Opportunities Appraisal**

- 1.1. Commissioning out youth services has meant that the building is now surplus to Shropshire Council's requirements. A transfer to the Phoenix Association gives the potential for youth activities to remain in some form at the centre, along with other uses that will benefit other sectors of the community. Those youth services currently commissioned out will remain at the centre but this may change in the future subject to the delivery intentions of the appointed party.
- 1.2. If the Organisation fails to maintain the building the risk is that the building will return to the Council with some or no building improvements and the cost of operation would revert back to the Council.
- 1.3. The Organisation does not yet satisfy all the criteria set out in the CAT policy (not yet a qualifying organisation). The asset will not be transferred until the organisation makes the required changes.

### **2. Equalities and Diversity Issues**

- 4.1 The continuation of the use of the building and its availability for local groups will mean its accessibility continues into the future for the community.

### **1. Financial Implications**

- 2.1. The building is currently maintained by Shropshire Council as part of its corporate estate. The annual running costs of the building are shared between the council's youth services. The savings identified in reducing the revenue burden of operating the centre equate to approximately £21,000 per annum.
- 2.2. Rent from Phoenix Centre Association is proposed below market value at a rent of £1 if demanded, as the Organisation will not be operating the facility on a commercial basis. This will enable the building to be kept in good repair and lettings to be kept at an affordable rate for the community.

### **6 Additional Information**

- 6.1 The proposed transfer complies with State Aid. The applicant will provide services for the local community and as such are not the subject of competition across Europe.
- 6.2 The proposed grant of the lease for a £1 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 nominal rent is covered by Circular 6/03 under the 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.

6.3 The lease will be on a full repair and insure basis, with a 7-year tenant only break clause.

6.4 In summary:

6.4.1 The organisation states that it will provide a centre for the leisure, recreational, community, educational and training benefit of Market Drayton and its residents.

6.4.2 The Organisation have experience in running their respective organisations and of maintaining the buildings they currently use (which include the guide hut on Elizabeth Court and Festival Drayton).

6.4.3 The Organisation will form a charitable trust before any lease is signed, called "The Phoenix Centre Association" which will run the building and oversee hiring etc. A management committee will be made up of representatives from the key users listed above, Shropshire Council, and an independent chair.

6.4.4 The Phoenix Centre Association will be made up of Mind and Market Drayton Guides, with support from Festival Drayton.

6.4.5 The group has identified running costs and proposed income streams in their CAT application. The group state that any surplus will be used to further the aims of the charity operating from this centre to include repairs and maintenance of the building.

<b>List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)</b>
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Shropshire Council Community Asset Transfer Policy
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<b>Cabinet Member (Portfolio Holder)</b>
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Cllr. Michael Wood Portfolio Holder for Corporate Support
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<b>Local Members</b>
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Cllr. David Minnery
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Cllr. Roger Hughes
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Cllr. John Cadwallader
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<b>Appendices</b>
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A. Plan of site
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