

COMMUNITY ASSET TRANSFER: RECOMMENDATION TO DIRECTORS

SHROPHIRE COUNCIL - Commercial Services - Strategic Asset Management

Asset:	English Bridge Workshop, Abbey Foregate, Shrewsbury
Applying organisation:	English Bridge Workshop Ltd.
Proposed use:	Artist studios and workshop/community space
Proposed transfer duration:	125 year lease
Estimated annual saving to Council:	n/a see 3.2
Report author and date:	Leela Cottey, 15.04.16
Reporting to:	George Candler, Director of Commissioning

Panel

Chair	Steve Law	Strategic Asset Manager
Assets and Estates	Keith Parry	Senior Estates Surveyor
Service Representative	n/a	n/a
Property Commissioning	Leela Cottey	Senior Property Commissioning Officer
Community Action	Lucy Roberts	Community Action Officer - Central
Administration	Carol Mills	Property Commissioning Support Officer

1.0 Purpose of the Report

- 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 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 English Bridge Workshop Ltd. in respect of the English Bridge Workshop. Following consideration of the report and the supporting information it is requested that the responsible officer determines whether the CAT is approved to go the appropriate formal decision making.
- 1.4 Whilst the facility is not on the Council's Community Asset Transfer list, it was determined that the appropriate route for progression was via the CAT policy.
- 1.5 This report represents an internal briefing for the Director of Commissioning in order for the transfer to be approved to move to the final decision making. Due to the potential transfer being longer than 10 years, the formal decision making will be taken to formal cabinet, subject to the approval of this report.

2.0 Qualifying Organisation

2.1 The panel assessed if the organisation meets the qualifying criteria as set out in the Policy:

Criteria	Panel Assessment	Related Documents
A qualifying organisation	The organisation is a company limited by guarantee, and a registered charity.	Formal Expression of Interest, Business Plan
Aims to deliver social, economic or environmental benefits	The organisation meets the requirements. The asset transfer will enable the organisation to secure funding to refurbish and upgrade the facility to increase capacity and overall quality.	Formal Expression of Interest, Business Plan
Directly benefits the people of Shropshire	The organisation meets the requirements. The studio spaces are rented by people living in Shropshire. The workshop spaces are hired out by local community groups.	Formal Expression of Interest, Business Plan
Benefits as wide a range of local people as possible within the community in which the asset is located	The organisation meets the requirements. It aims to ensure 90% studio occupancy. Artists can access the building at any time. A minimum of three exhibitions are held each year. The organisation works with Belle Vue Community Arts and is aiming to set up a partnership with University Centre Shrewsbury.	Formal Expression of Interest, Business Plan
The proposed use of the asset will not adversely impact on activities of facilities already provided in the community	The organisation has operated in the building since 1990. There would be no change to the local situation.	

3.0 Assessment against CAT criteria

3.1 The panel assessed the organisation's business plan against the criteria set out in the Policy:

Criteria	Panel Assessment	Related Documents
A clear community/social demand for the proposed CAT	The organisation has used the EBW since 1990. It is a well-used facility and has links with other local community organisations/branch groups inc. Belle Vue Community Arts Festival, Shropshire Art Society, Age Concern and Railway Heritage. An average of 10 groups regularly use the halls each week. 8 studios are rented out to local artists. The organisation has undertaken public consultation, the results of which demonstrate that their activities are valued by the local community.	
The capacity to manage the asset and have directors or management	The organisation has a clear management structure. A range of experiences and professions are represented on the board of trustees and Committee Advisory Body. The organisation has managed the asset since 1990, including repairs and maintenance. The organisation's business plan sets out how they will continue to fund the operation of the building.	Formal Expression of Interest, Business Plan

Good governance arrangements, robust financial systems

The organisation is managed by a board of trustees, which is made up of 6 members, and a Committee Advisory Body made up of 4 members. 6 meetings are held annually, including an AGM. The organisation has a financial management policy in place with audited accounts. The accounts are independently audited.

Formal Expression of Interest, Business Plan

The ability of the VCO to contribute towards the Council's objectives

In accordance with the Councils Asset Management Strategy Section 5: The Councils Principles and Priorities: Commission and work in partnership to empower communities. To release where appropriate through freehold transfer or leasehold transfer, properties to communities reducing revenue or maintenance burdens for non-core assets

Asset Management Strategy

3.2 The panel identified the following issues which required further discussion and resolution:

Issue	Resolution
The organisation has raised concern over the use of land underneath and adjacent to the railway arches by local taxi and takeaway firms. The use can generate mess and impacts on the security of the building – the gates are left open as it is unclear if the use is legal/permitted.	A draft agreement dated 1990 between Shropshire County Council and British Rail is held on file. Network Rail has been approached to determine if the agreement was completed. It was not and cannot be completed now without significant additional cost. Investigations are underway as to what agreements are in place and with whom. Shropshire Council is working with Network Rail to see if the area can be secured and its use controlled.
It is not possible to represent the saving to the Council as an annual saving. The EBW have undertaken and funded repairs and maintenance; Council expenditure data does therefore not exist.	A saving can be identified in that if the CAT is not progressed the Council may need to spend around £100K getting the building weathertight, with annual maintenance thereafter required to maintain a suitable condition.

4.0 Proposed Lease Agreement

4.1 Proposed lease agreement is as follows:

Item	Detail	Reason
Lease type/duration	125 year lease	To enable the organisation to secure funding and realise long-term plans for the building and its use.
Break Clauses	Year 10	To review if the organisation has been able to undertake key building repairs.
£ per annum	[£1]	The organisation does not run on a commercial basis. Any profit is invested back into the building and the development of arts and community activities.
Repairs, maintenance and insurance responsibilities transferred to organisation	Yes	After 5 years, when the organisation has secured funding to make the building weathertight.
Associated Service Agreement?	No	

- 4.2 Rent is proposed below market value, because the organisation does not run on a commercial basis. Any profit is invested back into the building and the development of arts and community activities. The proposed transfer complies with State Aid rules.
- 4.3 There are no special terms proposed in the lease/There are special terms proposed in this lease as follows:

Clause	Reason for inclusion
The final terms are to be agreed and concern potential contributions to short term R&M work.	Prior to the organisation securing grant funding to effect major repair and refurbishment, the Council is seeking to commit to some short term repairs to allow the organisation to continue to operate in accordance with their business plan.

5.0 Service Agreement

- 5.1 A Service Agreement is not required.

6.0 Monitoring

- 6.1 The Panel have considered the monitoring requirements of the asset transfer to ensure that the organisation meets its obligations and that the community benefit is realised. The following monitoring is recommended:

Item	Monitoring Method	Owner	Monitoring Schedule/Frequency	Output / Reporting / Recording Method
Ensure stated community benefit is being realised	Contact with organisation and local community	Community Enablement Officer	Annually	Report issued to CAT panel and Strategic Asset Manager
Check rent level is appropriate to organisation's (non)commercial standing	Review yearly financial accounts	Community Enablement Officer in consultation with Estates	Annually	Community Enablement Officer writes to panel to confirm assessment; adjustment of rent levels as required.
Ensure building is being satisfactorily maintained	Inspection by Council Building Surveyor	Strategic Asset Manager	5-yearly	Report issued to Strategic Asset Manager

7.0 Recommendations and Further Action

- 7.1 It is recommended that the authorising officer approves the CAT transfer as the proposal meets the requirements of the Council's CAT policy.
- 7.2 If approved it is requested that the Director of Commissioning instructs the relevant officers to undertake the monitoring as specified in section 6.