

# COMMUNITY ASSET TRANSFER: RECOMMENDATION TO DIRECTORS

SHROPHIRE COUNCIL - Commercial Services - Strategic Asset Management

<b>Asset:</b>	<b>Much Wenlock Youth Centre</b>
<b>Applying organisation:</b>	<b>1<sup>st</sup> Much Wenlock Scout Group</b>
<b>Proposed use:</b>	<b>Scout and Guide Hut</b>
<b>Proposed transfer duration:</b>	<b>99 year lease</b>
<b>Estimated annual saving to Council:</b>	<b>£2600</b>
<b>Report author and date:</b>	<b>Leela Cottey, 27.11.18</b>
<b>Reporting to:</b>	<b>Mark Barrow, Director of Place</b>

## Panel

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Chair	Leela Cottey	Senior Property Commissioning Officer
Assets and Estates	Keith Parry	Senior Estates Surveyor
Service Representative	n/a	n/a
Community Action Administration	Kerry Rogers	Community Action Officer
	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 1<sup>st</sup> Much Wenlock Scout Group in respect of the Much Wenlock Youth Centre. 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 Place 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 registered charity.	Formal Expression of Interest, Business Plan
Aims to deliver social, economic or environmental benefits	The organisation meets the requirements. The Scouting movement was founded in 1908 and has a proven record of helping young people develop and improve key life skills. The organisation has been providing Scouting in the Much Wenlock area for over 40 years.	Formal Expression of Interest, Business Plan
Directly benefits the people of Shropshire	The organisation meets the requirements. Membership is available to all children aged between 6 and 18, as well as adults.	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. The asset transfer will enable the organisation to increase capacity and enable more local residents to attend. The transfer will allow the organisation to secure funding to refurbish and upgrade the facility, to further improve capacity and quality of provision.	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 already operates in the local area (from a nearby rented building). There would be no overall change to the local situation. There is a shortage of places for groups that the increased capacity will address.	

## 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	<p>The organisation has operated in the area for over 40 years. There are waiting lists for many of their groups, and they currently need to send children of Cub's age to local groups' waiting lists.</p> <p>The property that they currently use needs several thousand pounds to bring it up to a minimum standard, but with 3 years left on this lease this is not considered cost effective. A move to MWYC will enable the organisation to increase their capacity to meet local demand.</p>	Business Plan
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 management team. The organisation has managed their current HQ for 32 years. They have funded and overseen £85K worth of improvement works including an extension comprising of a kitchen and disabled toilet, upgrades to lighting, heating and insulation.	Formal Expression of Interest, Business Plan

Good governance arrangements, robust financial systems	The organisation has a management committee, with a named chairperson, secretary and treasurer. Monthly meetings are held with signed copies of minutes available. The organisation has policies on equal opportunities, health and safety, and volunteers. The organisation is governed by the Scout Association, who endorse the CAT application. 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 Council's Asset Management Strategy Section 5: The Council's 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 Scout's current location is becoming increasingly unsuitable for use. There are concerns that in the winter period younger members in particular will struggle and activities/attendance may be limited.	A tenancy at will has been agreed with the group to enable them to make use the youth club in advance of a formal CAT transfer.

#### 4.0 Proposed Lease Agreement

4.1 Proposed lease agreement is as follows:

Item	Detail	Reason
Lease type/duration	99 year lease	To enable the organisation to secure funding and realise long-term plans for the building and its use.
£ per annum	£1	The organisation does not run on a commercial basis. Any profit is invested back into the building and for the development of Scout activities in/from it.
Repairs, maintenance and insurance responsibilities transferred to organisation	Yes	
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 Scouting activities. The proposed transfer complies with State Aid rules.

4.3 There are special terms proposed in this lease as follows:

Clause	Reason for inclusion
The premises shall be used for the provision of a base for the 1st Much Wenlock Scouting Group. The premises can also be hired out to other not for profit organisations (which for the avoidance of doubt includes local councils) offering other activities that benefit the local community at hiring charges that cover but do not exceed the tenant's commensurate costs in running the building and providing the permitted services.	To ensure that the facility continues to benefit the local community, whilst enabling the organisation to work with other local groups and obtain an income to aid ongoing building maintenance.

The lease can be terminated by Shropshire Council by six months written notice at any time if at least 75% the premises are no longer mostly or entirely used on a regular and frequent basis for some or all of the following - a base for the 1st Much Wenlock Scouting Group or other not for profit activities that benefit the local community.	To ensure that the facility continues to benefit the local community
The lease is subject to the continuation of any existing rights of way over the shared access ... in favour of The William Brookes academy and the Olympians and also the right of way over the land ... in favour of The William Brookes Academy.	To ensure rights of way are maintained for adjacent users/owners
The tenant will be responsible for maintaining the access way ... The tenant will be entitled to reclaim 50% of the cost of any necessary repairs from the William Brookes Academy.	To ensure the access is maintained at no cost to the Council.
The landlord reserves the right to use the access ... for whatever purposes it requires in connection with the retained land ... subject to the landlord making good any damage caused by the landlord in exercising that right.	To ensure that the Council can continue to access/maintain the retained land.
The lease is subject to the continuation of all existing rights in connection with the occupation of the garage ... by the Olympians and their associated rights over the access ... In the event that the Olympians decide to vacate the garage, it will then be available for use by the 1st Much Wenlock Scouting Group throughout the remainder of the lease on a rent free basis with a requirement for it to be maintained by the tenant in no worse condition than that existing at the date of vacation by the Olympians.	The Much Wenlock Olympian group use the garage to store equipment in. This clause will ensure that the Olympians can continue to use the garage for as long as they require it.

## 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 to proceed to Cabinet approval, as the proposal meets the requirements of the Council's CAT policy.
- 7.2 If approved it is requested that the Director of Place instructs the relevant officers to undertake the monitoring as specified in section 6. Consideration will need to be given to the activities currently allocated to the Community Enablement Team.

## 8.0 Appendices

Ref.	Document Name
8.1	Community Asset Transfer Policy and Guidance for Applicants
8.2	Initial Expression of Interest: 8.2.1 Application
8.3	Formal Expression of Interest with Outline Business Plan 8.3.1 Application 8.3.2 Evaluation
8.4	Detailed Business Plan 8.4.1 Application 8.4.2 Evaluation
8.5	Heads of Terms
8.6	Site plan

## 9.0 Director Response

- 9.1 [response]