



Community Asset Transfer of Monkmoor Lodge to Shropshire Youth Association

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Cabinet Member (Portfolio Holder):	Cllr Dean Carroll –Portfolio Holder Highways& Assets Cecilia Motley –Portfolio Holder for Communities		

1. Synopsis

Report seeking Cabinet approval of a revised Community Asset Transfer of Monkmoor Lodge to Shropshire Youth Association.

2. Executive Summary

2.1. The CAT policy supports and contributes to the Shropshire Plan through contributing to the Healthy People priority - strengthening our local towns and villages. The Strategic Asset Management team works 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.

2.2. Cabinet previously approved (01.03.17) the Community Asset Transfer of the former Monkmoor Lodge Youth Centre (a demountable building) to the Shropshire Youth Association by way of a 30-year lease.

- 2.3. Since that approval Shropshire Youth Association has secured funding to replace the building and has now requested that the lease includes demolition and replacement of the current building, and be extended to 99 years to reflect the increased investment in the site and potential to provide wider and more long-lasting community benefit through the development of improved facilities.

3. Recommendations

- 3.1. Cabinet approves the principle of a 99-year lease that includes provision to demolish the existing demountable building and rebuild with a permanent community structure.
- 3.2. Cabinet grants delegated authority to the Head of Property and Development - in consultation with the Portfolio Holder for Growth, Regeneration and Housing - to finalise terms of the lease and complete the transaction.

Report

4. Risk Assessment and Opportunities Appraisal

- 4.1. The risk in not approving the demolition term to the lease is that Shropshire Youth Association will not have the necessary permissions to redevelop the site using the external funding that the organisation has secured. The risk in not approving the extension to the lease is that Shropshire Youth Association may reconsider their position as to the viability of the scheme and their ability to commit. The consequence of both risks is the same - a missed opportunity in respect of delivering improved community facilities that will adversely impact the local community, potential reputational damage to the Council, and an adverse impact on relationships with local organisations.
- 4.2. If Shropshire Youth Association withdrew from the lease it would result in an opportunity for the Council to redevelop the site. However, whilst the site has potential for residential development, current planning policy seeks to protect community facilities and as such it is considered that the achievement of the Council's aims and objectives are better realised through facilitating the delivery of the Shropshire Youth Association's project.
- 4.3. Following the Council's decision to decommission direct management of youth services, the building was declared surplus to Council requirements and was advertised on the CAT Register between October 2014 and April 2015; publicising the building as available so that interested groups could express an interest. A transfer to Shropshire Youth Association gives the potential for youth activities to remain at the centre, along with other uses that will benefit other sectors of the community.
- 4.4. In respect of the demolition and construction period, there is a risk that should the project fail the site will returned to the Council at a lesser value and potentially with

an unfinished project with external funding requirements. This risk has been mitigated through the inclusion of specific clauses in the Heads of Terms: if the project fails at the demolition stage the Council will regain possession of a cleared site that can be disposed/redeveloped. The proposed transferee is obliged to have all plans approved by the Council and to appoint a reputable approved contractor.

- 4.5. Post-construction, if Shropshire Youth Association fails to maintain the (new) building the risk is that the site will return to the Council with maintenance liabilities. It is considered that this risk is acceptable, as the site will be returned with a new and improved building, with which the Council will be able to support community activities, either directly or through a Community Asset Transfer to another organisation.
- 4.6. There are no equalities, human rights, impact on vulnerable children or adults, or human rights implications.

5. Financial Implications

- 5.1. The building is currently maintained by Shropshire Council as part of its corporate estate. The majority of the annual running costs of the building are incurred by the corporate landlord. The savings identified in reducing the revenue burden of operating the centre equate to £3,160 (net) per annum. This would contribute to the £69,300 saving identified in Commercial Services 'Review of youth centres and other accommodation used for youth activities' There are approximately £74,400 of condition works identified in the building, that the Council will no longer be liable for should the transfer be implemented.
- 5.2. A nominal rent of £1 from Shropshire Youth Association is proposed as the organisation will not be operating the facility on a commercial basis. This will enable the (current and new) building to be kept in good repair and lettings to be kept at an affordable rate for the community.
- 5.3. The potential capital receipt of the site is in the region of £100,000 if considered as a residential development site. This potential cannot be realised if the Community Asset Transfer is approved.
- 5.4. The potential market rent for the site over the next 60 years is limited with the building its current form and is likely to be in the region of £5,000 pa. The opportunity for any rental income will be lost however if a Community Asset Transfer application is approved.
- 5.5. The financial implication of not approving the new lease to Shropshire Youth Association is that the external funding - being applied for by Shropshire Youth Association will not be available to develop the site and benefit the local community.

6. Climate Change Appraisal

- 6.1. The proposed new facility will be more energy efficient than the current demountable, which is very inefficient with no insulation on the roof, blown double glazing units, visible gaps around outside doors, outdated heating systems and fluorescent tube lighting. The new building will be built to an A rating with full insulation, solar panels, LED lighting and efficient heating.

7. Background

- 7.1. The Community Asset Transfer policy contributes to the Shropshire Plan 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.
- 7.2. A report summarising the assessment of the Community Asset Transfer application made by Shropshire Youth Association in respect of Monkmoor Youth Centre, SY2 5RR was considered in 2017 by the Director of Place and Enterprise with the recommendation to progress to transfer by way of a 30-year lease which, in accordance with the CAT policy, is subject to Cabinet approval. Cabinet granted that approval.
- 7.3. The Executive Director of Place supports the adjustment of the leasing arrangement to extend the duration to 99 years and permit the redevelopment of the site.
- 7.4. SYA has been awarded sufficient funding to build a two storey, 400m² energy efficient new building.
- 7.5. Subject to planning, it is anticipated that construction will take place between September 2023 and March 2024.
- 7.6. Monkmoor Youth Club on Upton Lane has been the home of youth activities in the locality for several years. The facility has hosted weekly junior and senior youth clubs and a weekly session for young people with learning difficulties. The venue has also accommodated training sessions, community meeting and events for a range of local organisations.
- 7.7. Shropshire Youth Association has occupied the building via a tenancy at will dated 28.09.15. Under this arrangement Shropshire Youth Association occupy the office rooms edged red shown on the attached plan, and, along with other users of the building, occupy the toilet/kitchen facilities and circulation areas edged blue. They contribute to the facility's running costs.

On initial review the proposed transfer complies with the new Subsidy Control regime, However relevant advice will be sought prior to completion of the transfer to ensure that this is still the case.

- 7.8. 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. The criteria is met as the applicant delivers social benefits as set out in 7.10 and as demonstrated in their CAT application.

- 7.9. The lease will be on a full repairing and insuring basis, with a tenant only 12-month break clause.
- 7.10. Shropshire Youth Association delivers social benefits through providing infrastructure support to voluntary youth clubs across Shropshire, as well as direct delivery of youth activities. It aims to help young people develop their physical, mental and spiritual capacities. The CAT will enable the organisation to establish a base to administer services, including the training of youth workers.
- 7.11. Shropshire Youth Association has a proven track record of youth activities and infrastructure provision. The Chief Executive Officer is a professionally qualified youth worker with a management qualification and 30 years' experience in delivering and managing youth work.
- 7.12. The governing body consists of 7 trustees, 3 board members and approximately 100 member groups. Shropshire Youth Association has a dedicated finance and administration officer. Accounts are independently audited. Key policies (including insurance) and procedures are in place and up to date.
- 7.13. Shropshire Youth Association's activities contribute to meeting the following Council's youth activity priorities:
- 7.13.1. ensure all children and young people are safe and well looked after in a supportive environment
 - 7.13.2. narrow the achievement gap in education & work
 - 7.13.3. ensure the emotional wellbeing of children and young people by focusing on prevention and early intervention
 - 7.13.4. keep more children healthy and reduce health inequalities

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

Local Member: *Pam Moseley*

Appendices [Please list the titles of Appendices] [The New Lodge Upton Lane Shrewsbury CAT Plan Final.pdf](#)
[CAT CABinet Monkmoor Youth Centre 01 Mar 17.pdf](#)
