

COMMUNITY ASSET TRANSFER: RECOMMENDATION TO DIRECTORS

SHROPHIRE COUNCIL – Property and Development - Strategic Asset Management

Asset:	The Old Abattoir, rear of 68 Church Street, Bishops Castle
Applying Organisation:	The Bishops Castle & District Community Land Trust
Proposed use:	Food Bank and associated not for profit other activities that benefit the local community.
Proposed transfer duration:	125 years
Estimated annual saving to Council:	No annual running costs as such, but the transfer would remove the Council’s maintenance liabilities and the proposed repairs would enhance the building
Report author and date:	Leela Cottey
Reporting to:	Mark Barrow

Panel

Chair	Leela Cottey	Strategic Asset Manager
Service Representative	n/a	
Assets and Estates	Felicity Allan	Principal Estates Surveyor
Finance	Jim Evans	Finance Officer
Community Action	No rep	

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 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 Bishops Castle & District Community Land Trust in respect of the former Abattoir in Bishops Castle. 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 The asset was listed on the Community Asset Register from 23 November 2021 to 05 January 2022.
- 1.5 This report represents an internal briefing for the Executive 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 Recommendations and Further Action Required

- 2.1 The panel has determined that the application meets the requirements of the Council's CAT policy. The recommendation is for the Executive Director of Place to approve the transfer to proceed to Cabinet approval, noting that in doing so a potential capital receipt may be forfeited.
- 2.2 If approved it is requested that the Director of Place instructs the relevant officers to undertake the monitoring as specified in section 7, and to permit the panel to terminate the CAT should they determine that the policy requirements are no longer being met.
- 2.3 Upon approval of this report, the panel will proceed to seeking Cabinet approval and progress the transfer accordingly.

3.0 Qualifying Organisation

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

Criteria	Panel Assessment
A qualifying organisation	The Bishops Castle & District Community Land Trust is a Charitable Trust Registration no EW12300.
Aims to deliver social, economic or environmental benefits	The proposal is to make the necessary repairs to provide a base for the Land Trusts project partner, the Bishops Castle Community Food Bank (the Food Bank).



Directly benefits the people of Shropshire	There has been a food bank in Bishops Castle since 2019 aiming to reduce food poverty and to provide opportunities for volunteering. The proposed location in the centre of the town, will be within walking distance for local customers with no access to their own transport
Benefits as wide a range of local people as possible within the community in which the asset is located	The Food Bank will help and support the growing number people in Bishops Castle and its surrounding areas who cannot afford to feed themselves or their family. They will work to tackle rural health inequalities in South West Shropshire, which was identified as an issue of concern in Healthwatch Shropshire's <i>Shaping Places for Healthier Lives</i> report.

4.0 Assessment against CAT criteria

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

Criteria	Panel Assessment
A clear community/social demand for the proposed CAT	In its first week of operation in April 2019, the Food Bank received three customers. Now, in early 2022 it distributes food to around 110 customers a week. The Food Bank is already working in partnership with several local organisations including; Bishops Castle Community College, The Community Connectors Group and Connexus's Housing Need Officer. The present temporary location of the Food Bank is in the Church Barn, which is shared with other organisations. It has inadequate storage space and no security of tenure. Stocks of food have to be kept on open shelving in the hall itself, in a cleaning cupboard and in a damp, separate shed, involving double handling of the stock. The proposed property would improve service delivery.
The capacity to manage the asset and have directors or management	<p>The Trust is run by a management board that includes representatives from Bishops Castle Town Council, Shropshire Council, Enterprise House, the Food Bank, and a tenant of the Trust. Anyone living or working in the community of Bishops Castle and its surrounding area is entitled to become a voting member and stand for election to the Board.</p> <p>The building has not been used since the 1980s. On successful transfer the Trust has committed to repairing the building; proposing to spend around £8,000 in their first 3 months of occupation.</p>



Good governance arrangements, robust financial systems	The Trust's Board meets monthly to review progress, make decisions and to approve expenditure. Day to day administration is handled by the company secretary, working with the chairman and treasurer. The Trust is able to draw upon the strong expertise and skills of its board members, whose professions include that of a chartered surveyor, a solicitor, a town and country planner, a risk assessor and a business owner. They have experience of a range of community organisations.
The ability of the VCO to contribute towards the Council's objectives	The application aligns 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. The application also supports Shropshire Council's Health & Wellbeing Strategy in reducing inequality and improving the health of its population.
The proposed use of the asset will not adversely impact on activities of facilities already provided in the community	It is determined that there are no issues of conflict or competition with any local services or organisations.

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

Issue	Resolution
The Planning Authority have advised that the land may be suitable for alternative uses including residential or commercial development. Therefore in agreeing to the transfer the council might be foregoing a capital receipt.	The CAT panel considers that there is significant community benefit from the proposal, and that the community benefit of the application outweighs the potential for a capital receipt. Appropriate clauses will be included in the transfer agreement to protect the Council's interests should any other parties seek to progress development of the site.

5.0 Proposed Lease Agreement

5.1 Proposed lease agreement is as follows:

Item	Detail	Reason
Lease type/duration	90 years	At the request of the organisation, to enable the organisation to secure funding and realise long-



		term plans for the building and its use. This longer term agreement is to be subject to a clawback provision whereby Shropshire Council will receive a payment for any change in use of the property (any changes to be subject to SC prior approval, with no warranty given as to approval of any proposed change).
Break Clauses	Year 10 onwards with 12 months notice	To provide flexibility for the Tenant should the community need for a food bank fall away but allowing sufficient time for the Tenant to secure funding and carry out the works so the building would be returned in full repair if they chose to terminate
£ 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 appropriate community activities occurring in/from it.
Repairs, maintenance and insurance responsibilities transferred to organisation	Yes	To relieve Shropshire Council of these responsibilities
Associated Service Agreement?	No	

5.2 Rent is proposed below market value, because the organization does not run on a commercial basis. 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.

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

Clause	Reason for inclusion
(3) Access & Car parking	<p>The Property has a right of access on foot or by vehicle from the High Street and through the archway as shown on the attached plan in BROWN.</p> <p>The Tenant is able to utilise the public car park shown on the plan highlighted in GREEN when said car park is open for use and available as a public car park but Shropshire Council provides no warranty as to availability of parking spaces or opening hours of the car park.</p> <p>If parking charges are introduced at said car park, the Tenant is to pay the car parking charges in order to utilise spaces at the car park.</p>



	<p>Shropshire Council reserves the right to change the use of the car park including but not limited to redevelopment of the site.</p> <p>No overnight parking is permitted.</p> <p>No skips, bins or other containers are to be placed on areas outside of the areas outlined in RED on the attached plan.</p>
(6) Permitted Use	For the provision of a food bank service to support the community of Bishops Castle and surrounding areas and associated not for profit activities to support the local community. Not to be used for residential purposes.
(8) Tenant's Covenants	<p>a. The tenant will keep detailed records of all users of the Property where the use involves a charge or profit making activity including dates, times and hiring charges and numbers attending each class/event (regardless of who runs the class/event) and these records are to be made available to the landlord upon request.</p> <p>b. All income generated by hiring or subletting the Property is to be re-invested in the future maintenance and improvement of the building and associated facilities that it provides.</p> <p>c. The tenant will keep independently fully audited accounts, unless agreed otherwise by the Landlord, and additional clarification of individual items within the accounts relating to the running of this building will be made available to the landlord upon request (such request to be reasonably justified). A copy of the audited accounts is to be submitted annually to the Landlord within three weeks of being audited.</p> <p>d. To provide access for the Landlord on request for inspection of the Property, and to provide information if requested on the use and activities at the Property.</p> <p>e. Not to make any objection to any application made for the development or change of use of the current public car park area shown in GREEN on the attached plan or any surrounding property owned by Shropshire Council and to ensure that any sub tenancy agreements also include this provision.</p>
(9) Repair & Maintenance	<p>a. The Tenant is to put the Property into Repair and to maintain thereafter.</p> <p>b. During the first year of the lease the Tenant will submit and agree with the Landlord a schedule and timescale of proposed works to cover external and internal refurbishment of the premises. These works will be the responsibility of the tenant. During this period, all items of repair and maintenance will be the responsibility of the Tenant subject to the proviso that the condition of the building shall be maintained in no worse state than that existing at the start of the lease</p> <p>c. For the avoidance of doubt, the Landlord will not be responsible for any repairs and maintenance whatsoever and all responsibility will rest with the Tenant.</p> <p>d. During the first three years of the lease the Tenant will apply for sufficient funding to enable a complete refurbishment of the premises. The external and internal refurbishment works will be completed within the first five years of the lease.</p>



	<p>e. Upon completion of the refurbishment works, the Tenant is to be responsible for keeping the interior and exterior of the Demised Premises in good repair and condition throughout the remainder of the term and to replace any fixtures & fittings, windows, doors or roof coverings etc which may become beyond repair during the term.</p> <p>f. Upon completion of the refurbishment works, the Tenant to be responsible for painting and decorating the interior & exterior of the premises as often as necessary to maintain the premises in a good standard of decorative finish to the satisfaction of the Landlord's Building Surveyor. Within the last three months of the lease (howsoever determined) the tenant shall paint the interior & the exterior of the premises in a proper and work man like manner using appropriate materials of good quality in colours to be agreed by the Landlord's Building Surveyor</p> <p>g. Any structural alterations will be subject to Landlord's consent (which shall not be unreasonably withheld) and the Tenant complying with any reasonable conditions imposed by the Landlord.</p> <p>h. To contribute upon demand to the cost of the maintenance and repair of the access route highlighted in BROWN on the attached plan.</p>
(10) Landlord's covenants	The Landlord (or its successors in title) to maintain the access route highlighted in BROWN on the attached plan, subject to the contribution of the Tenant towards the ongoing cost of maintenance or repair.
(15) Assignment and Subletting	<p>Assignment: a) No assignment of the lease permitted.</p> <p>Subletting: b) Subletting to The Bishops Castle Community Foodbank (Registered Charity number 1190595) only is permitted, provided that no relationship of Landlord and Tenant is created.</p> <p>c. Subletting to other not for profit organisations that provide services to benefit the local community and for a maximum term of three years is also permitted, subject to the approval of Shropshire Council.</p> <p>d. Any such sublettings to be excluded from the provisions of the Landlord and Tenant Act 1954.</p> <p>e. Any rent generated from such a subletting to be reinvested in the maintenance and upkeep of the Property.</p>

6.0 Service Agreement

6.1 A Service Agreement is/is not required.

7.0 Monitoring

7.1 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
e.g. Ensure promised renovation works take place	On-site inspection, ongoing contact with organisation	Strategic Asset Manager	As required until works are complete	Following notification from that work is complete, panel reviews and records satisfactory completion of works
e.g. Check rent level is appropriate to organisation's commercial standing	Review yearly financial accounts	Finance Officer in consultation with Principle Estates Surveyor	Annually	Principal Estates Surveyor writes to panel to confirm assessment; adjustment of rent levels as required.
e.g. Ensure stated community benefit is being realised	Contact with organisation and local community	Assets Officer CRTB & CAT / Finance Officer	Annually	Report issued to CAT panel
e.g. Check appropriate insurance is in place (relevant to Freehold only)	Request copy of insurance certificate from organisation	Principle Estates Surveyor	Annually	Copy of insurance certificate

8.0 Director Response

8.1 Approved

Signed :



Date : 13 July 2023

