

**Name of meeting:** Cabinet Committee - Assets  
**Date:** 29<sup>th</sup> March 2017  
**Title of report:** Leasehold Asset Transfer of a Parcel of Land at Royds Park, Bradford Road, Cleckheaton, BD19 5LL

**Purpose of report:** This report sets out the proposal to transfer the land and buildings on a 125 leasehold basis, which currently forms part of Royds Park, Bradford Road, Cleckheaton to Spenborough Model and Experimental Engineers Ltd (SMEE). The conditions of the 125 year lease will include covenants to ensure that the land principally remains available for use by SMEE for the running of the miniature railway along with ancillary facilities.

<b>Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?</b>	No
<b>Key Decision - Is it in the <a href="#">Council's Forward Plan (key decisions and private reports?)</a></b>	Key Decision – No Private Report/Private Appendix – No
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	Yes
<b>Date signed off by <u>Director</u> &amp; name</b>	Joanne Bartholomew, Assistant Director for Physical Resources & Procurement, 16 March 2017
<b>Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?</b>	Debbie Hogg, 17 March 2017
<b>Is it also signed off by the Assistant Director (Legal Governance and Monitoring)?</b>	Julie Muscroft, 16 March 2017
<b>Cabinet member <a href="#">portfolio</a></b>	Asset Strategy, Resources and Creative Kirklees - Cllr Graham Turner

**Electoral wards affected:** Liversedge and Gomersal

**Ward councillors consulted:** Cllr David Hall, Cllr Lisa Holmes, Cllr Michelle Grainger-Mead

**Public or private:** Public

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## 1. Summary

- 1.1. SMEE were originally granted permissions by Spenborough Borough Council to utilise the Park and have occupied a proportion of this site for over 40 years. The site has been developed over the years from a green field site to include their clubhouse with a machine shop with workshop facilities, meeting room, café, toilets and locomotive storage they also have a small rail track running around their current facility.
- 1.2. SMEE have brought forward plans to seek an asset transfer of the parcel of land they currently occupy alongside additional areas of the park allowing them to extend their current provision. This paper sets out the background to this request and the Council's proposed response to transferring the asset at nil consideration but with restrictive covenants in place to ensure SMEE continue to be inclusive with their membership allowing the wider community to utilise this facility.

## 2. Information required to take a decision

### Background

- 2.1 Royds Park is situated on Bradford Road, Cleckheaton. The park incorporates tennis/basketball courts and children's play area for the use of local residents. SMEE have run a Miniature railway, incorporating a workshop and track from part of the park for over 40 years. SMEE have no formal arrangement for the land they currently occupy as this was verbally granted by Spenborough Borough Council over 40 years ago.
- 2.2 SMEE are requesting a 125 lease of both their current site and the proposed extension site. A plan of the current and proposed future use for transfer is included with this report
- 2.3 SMEE have expressed their wish to extend their current track to allow the running of larger engines, cater for disabled visitors and create extra car parking to alleviate the current on-street parking by visitors. SMEE envisage that those visiting the Railway would also utilise Royds Park.
- 2.4 SMEE have been successfully fund raising for a number of years through local events in order to finance the planned extension of the track and additional parking. They also run community events on the miniature railway from Easter to November including catering for schools, special events and parties.
- 2.5 SMEE have submitted a robust application form and business plan in line with the requirements of the current Asset Advancement Policy, this includes the development of policies and capacity building which have been assessed by the Communities and Engagement Team. It also includes financial and risk management which has been assessed by Locality, our third party who is supporting groups working through Asset Transfer. Corporate Landlord have assessed the asset related information provided in the application.

The application and business case is assessed using the Asset Transfer Assessment Tool which assesses 5 main areas: financial, community impact, risk, organisation strength and the asset. This has been designed in line with the Hallmarks of an Effective Charity which is written and supported by the Charity Commission. All assessments were satisfactory.

- 2.6 The Group have an experienced board of Directors who have formed a Limited Company. They have already proven their expertise of running the site, and have clearly planned for their future, with ambitions to expand their operation and increase both their income and community impact.

- 2.7 They regularly consult with the local community and have good working relationship with local schools, businesses and the Council which has shown an increase in use of the Railway and Park over the years.
- 2.8 Although the group could appear to be a single interest organisation they have evidenced within their business case that this is not the case. Their membership is open for all to join and as outlined above SMEE regularly run community days to bring more people to their organisation and into Royds Park.

### **Asset Transfer**

- 2.9 The Councils Asset Advancement Policy was developed in response to the Quirk Review and subsequent localism agenda and was approved by Cabinet in October 2013; however a revised Policy has been approved by Cabinet on the 7<sup>th</sup> March 2017 with an implementation date of 1<sup>st</sup> April 2017. The new Policy provides for additional financial support for groups requesting Community Asset Transfers and Members were asked to consider applying the new Policy to 3 Community Asset Transfers that were scheduled for 28<sup>th</sup> March 2017. The parcel of Land at Royds Park Asset Transfer will be one of the 3.

The decision options for this asset transfer are:

- 2.9.1 Refuse the request for transfer. This would mean SMEE would be unable to see through their plans to expand their current track, extra parking and facilities to broaden their potential footfall and raise future funding.

***Officers are of the opinion that this should not be the recommended option on the grounds that this would prevent SMEE to proactively develop and expand the site and increase the usage by the local community. It would also then place SMEE at risk as the Council may wish to explore the introduction of a Lease at a Market Rent for their current site.***

- 2.9.2 Transfer the parcel of land at Royds Park by either freehold or leasehold, the conditions of a 125 year leasehold will include covenants to ensure that the land principally remains available for use by SMEE for the running of the miniature railway along with ancillary facilities and allow SMEE to further support the local community.

***Officers are of the opinion that leasehold asset transfer with restrictive covenants, should be the recommended option on the grounds that the future use of the site would be retained for the use of SMEE in supporting the local community.***

- 2.9.3 Transfer the parcel of land at Royds Park without restrictive covenants in place. Whilst this approach has not been adopted before it is recognised that, subject to approval, this option would fit within the current Asset Transfer Policy, however there is a risk that the use of the land by the community could be lost.

***Officers are of the opinion that this should not be the recommended option on the grounds that the future use of the parcel of land at Royds Park could be lost to the local community.***

### **Costs**

- 2.10 The current grounds maintenance costs for the areas marked in the red line boundary are £1982.00 per year. The leasehold of the land will result in this as a saving to the Council.

## Valuation

### Unrestricted Value

The unrestricted value is the best price reasonably obtainable for the property and should be expressed in capital terms. It is the market value of the land as currently defined by the RICS Red Book (Practice Statement 3.2), except that it should take into account any additional amount which is or might reasonably be expected to be available from a purchaser with a special interest (a "special purchaser"). When assessing unrestricted value, the valuer must ignore the reduction in value caused by any voluntary condition imposed by the authority. In other words, unrestricted value is the amount that would be paid for the property if the voluntary condition were not imposed (or it is the value of the property subject to a lease without the restriction).

**The unrestricted value of the parcel of land at Royds Park is: £25,000**

### Restricted Value

The restricted value is the market value of the property having regard to the terms of the proposed transaction. It is defined in the same way as unrestricted value except that it should take into account the effect on value of any voluntary condition(s).

**The restricted value of the land is: £ Nil**

### Voluntary Conditions

A voluntary condition is any term or condition of the proposed transaction which the authority chooses to impose. It does not include any term or condition which the authority is obliged to impose, (for example, as a matter of statute), or which runs with the land. Nor does it include any term or condition relating to a matter which is a discretionary rather than a statutory duty of the authority.

**The value of voluntary conditions in the proposed transaction is: £ Nil**

### Amount of discount given by the Council

The difference between the unrestricted value of the land to be disposed of and the consideration accepted (the restricted value plus value of any voluntary conditions).

**The amount of discount in the proposed transaction is: £25,000**

In respect of *Local Government Act 1972 general disposal consents (England 2003) disposing of land for less than best consideration that can be reasonably obtained* the transaction does not require the Council to seek specific consent from the Secretary of State as the difference between unrestricted value of land to be disposed of and the consideration accepted is £2,000,000 or less

The Local Government Act 1972 General Disposal Consent means that specific consent is not required for the disposal of any interest in land/buildings at less than best consideration which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Following their assessment, the Council are confident that the lease of the parcel of land to SMEE will be likely to contribute to the promotion of wellbeing of the Cleckheaton area.

### **3. Implications for the Council**

#### **3.1 Early Intervention and Prevention (EIP)**

The railway has steadily increased its popularity over the years in line with its facility expansion and the ability to operate special events like Easter, Halloween and Christmas with the added bonus of Birthdays. As well as the special events the railway is open from Easter till November and operates twice monthly on Sundays as well as Wednesdays during the school summer holidays.

Littletown Primary School and Howard Park school are regular customers and are hosted by the railway on two occasions each annually, and also three local nurseries attend.

The group also intend to contact Kirklees childminders and other schools about our railway

#### **3.2 Economic Resilience (ER)**

The lease of the land will support the community and recognises the benefit of SMEE in sustaining the health and wellbeing of the local community.

#### **3.3 Improving Outcomes for Children**

There will be no impact

#### **3.4 Reducing demand of services**

The lease of the area requested by SMEE will reduce the demand for grounds maintenance from the Council as SMEE will be fully undertaking all grounds maintenance in the designated area.

#### **3.5 Legal/Financial and Human Resources**

If Cabinet approve the retrospective application of the 2017 Policy, in the case of the Parcel of Land at Royds Park the potential revenue financial implications could be a one off cost of £5297.

#### **3.6 The site is deemed Public Open Space. The statutory public consultation under the Local Government Act 1972 has been undertaken and no objections were received.**

### **4. Consultees and their opinions**

**Spen Model and Experimental Engineers were consulted and the following comments were received:**

The success of the land asset transfer will allow further expansion of the Miniature Railway, allowing us to operate larger trains and bring changes to the operation by attracting locomotive owners from other societies to visit and run on our track on a reciprocal basis.

We have steadily grown over the past 40 years and invested in the facilities to be able to attract the community to visit a low cost attraction suitable for all the family. Our venture into marketing and more frequent operating days has resulted in vastly increased attendance to the state that we are unable to cope with the number of vehicles being parked and at times the long waiting times for a ride. The increased track length and overflow car park should alleviate most problems. Longer term when the extension is complete we will be able to annually donate part of the revenue to local charities.

We firmly believe in the saying "If you stand still you're going backwards" and will continue to plan forwards to ensure success.

**Parks and Open Spaces were consulted and the following comment was received:**

We confirm our support with the proposal for the Spen Model and Experimental Engineers to lease an area of Royds Park in Cleckheaton to help in their use of the site

**Local Ward Councillors were consulted and the following comments were received:**

**Cllr Michelle Grainer-Mead**

I am happy to support this good cause and wish them luck going forward.

**Cllr Lisa Holmes**

I am supportive of this land transfer

**Cllr David Hall**

I am happy to support the recommendations in the report. The Model Engineers are well known to me and provide a super recreational facility for local families. I hope it will enable them to go from strength to strength.

**5. Next steps**

- 5.1 Subject to the decision made by Cabinet, Officers from Physical Resources and Procurement will complete negotiations and agree terms of the transfer.
- 5.2 Completion of the lease will be made subject to SMEE obtaining planning permission for the proposed extension of their facilities, if planning permission is not granted a lease will be granted based on their current footprint on the site

**6. Officer recommendations and reasons**

- 6.1 Members are requested to approve the grant of the lease by the Council subject to planning permission for the proposed extension of their facilities for nil consideration, if planning permission is not granted a lease to be approved for their current footprint on the site. Both leases will include restrictive covenants ensuring continued use by SMEE for their current activities and future community based activities.
- 6.2 Members are requested to authorise the lease of the Parcel of Land at Royds Park under the 2017 Community Asset Transfer Policy and note the additional financial implications to the Council as at 3.5.
- 6.3 Members are requested to note the Assistant Director of Place and Assistant Director Legal Governance & Monitoring have delegated authority to negotiate and agree the terms and red line boundary of the leasehold transfer that relate to the transfer of the parcel of land at Royds Park to Spenborough Model Experimental Engineers Ltd.

**7. Cabinet portfolio holder's recommendations**

The Portfolio Holder, Cllr Graham Turner recommends the leasehold transfer of the land, marked in red on the proposed red line boundary, situated at Royds Park, to Spen Model and Experimental Engineers under the 2017 Policy for no premium/nil consideration subject to restrictive covenants discussed in paragraph 2.9.2 – which states that the proposed asset transfer route, subject to approval is to *Transfer the parcel of land at Royds Park by either freehold or leasehold. The conditions of a 125 year leasehold will include covenants to ensure that the land principally remains available for use by SMEE for the running of the miniature railway along with ancillary facilities and allow SMEE to further support the local community.*

Cllr Turner also acknowledges the additional financial implications to the Council as in 3.5:  
*If Cabinet approve the retrospective application of the 2017 Policy, in the case of the Parcel of Land at Royds Park the potential revenue financial implications could be a one off cost of £5297.*

**8. Contact officer**

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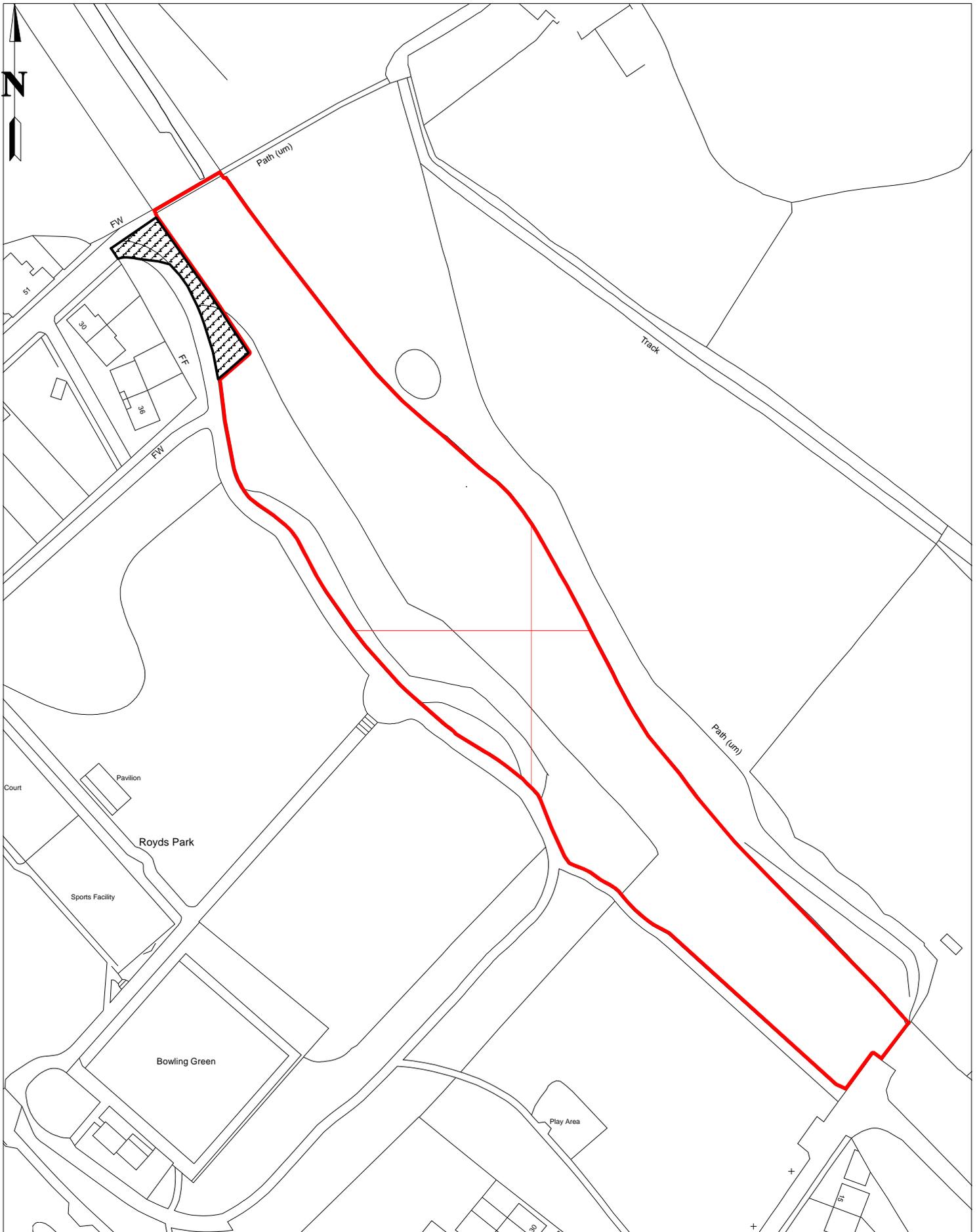
**9. Background Papers and History of Decisions**

Royds Park SMEE Red Line Boundary

SMEE Plan of proposed use

**10. Assistant Director responsible**

Paul Kemp – Assistant Director Place



**PHYSICAL RESOURCES  
& PROCUREMENT**

Plan No: 16-0537

Scale: 1250

Required by:

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Client  
SMEE

Project  
Royds Park, Railway extension

Description  
Red Line Boundary

Status  
For Planning

Scale  
1:500@A1

Job number  
3219

Drawing number  
04

Date  
Jan 17

Revision

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