

Name of meeting:Cabinet Committee - AssetsDate:29th March 2017Title of report:Leasehold Asset Transfer of Bradley Park Playing Fields,<br/>Off Wilton Avenue, Bradley, Huddersfield, HD2 1RN

**Purpose of report:** The report sets out the proposal to grant a 125 year lease of the land and buildings that currently make up Bradley Park Playing Fields to the Friends of Bradley Park Charitable Incorporated Organisation ("the Organisation").

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?	No
Key Decision - Is it in the Council's	Key Decision –No
Forward Plan (key decisions and private reports?)	Private Report/Private Appendix –No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Director</u> & name	Joanne Bartholomew, Assistant Director for Physical Resources & Procurement, 16 March 2017
Is it also signed off by the Assistant Director for Financial Management, IT, Risk and Performance?	Debbie Hogg, 17 March 2017
Is it also signed off by the Assistant Director (Legal Governance and Monitoring)?	Julie Muscroft, 16 March 2017
Cabinet member portfolio	Asset Strategy, Resources & Creative Kirklees (Arts)– Cllr Graham Turner

Electoral wards affected: Ward councillors consulted:	Ashbrow Cllr Jean Calvert, Cllr James Homewood, Cllr Amanda Pinnock
Public or private:	Public

#### 1. Summary

1.1. Community Asset Transfer involves transferring land and buildings from a statutory body to a community organisation at 'less than best consideration' i.e. at less than its full market value in order to further social, economic and /or environmental objectives.

- 1.2. Bradley Park Playing Fields ("the Site") are located off Wilton Avenue, Bradley, Huddersfield. The Council acquired the freehold of the Site in 1954. Plan reference 16-0490a, which is attached at Appendix A, shows the boundary of the site indicated by a red line. The Site has an area of 6.13 hectares (15.15 acres). Sports pitches make up the majority of the site with a small formal area laid out for children's play.
- 1.3. The Site was previously used for football with the provision of three adult football pitches and dedicated changing facilities. In July 2014 the changing facilities were subject to an arson attack. Deemed beyond economic repair, the facilities were subsequently demolished and cleared from the Site using some of the insurance monies. Formal use of the Site for sports ceased at this time and there are currently no teams based at Bradley Park playing fields.
- 1.4. The land is designated Urban Greenspace in the draft Local Plan. The Playing Pitch Strategy for Kirklees recommends that the pitches be protected for sporting use and suggests that the pitches could be reconfigured to meet shortfalls for youth pitches.
- 1.5. The site is managed by Parks and Open Spaces. The Parks Grounds Maintenance team currently operate from a depot located on the Site.
- 1.6. The Council has limited condition information on the depot. It is however considered to be in satisfactory condition. The depot comprises a small flat roofed building of brick construction and compound area used for the storage of grounds maintenance vehicles/equipment and materials.
- 1.7. The wrought iron fencing on the boundary with Wilton Avenue and neighbouring streets is in a dilapidated condition and would require significant investment to secure the Site.
- 1.8. Grounds maintenance of the playing fields and children's play area costs the Council £3368 per annum. The play area was installed in 1996 and whilst it remains compliant, the equipment would benefit from replacement and upgrading. The capital cost of refurbishment of the play area and replacement equipment is estimated to be £30,000.
- 1.9. Running costs associated with the parks depot are £1192 per annum.

### 2. Information required to take a decision

#### Asset Transfer

- 2.1. The Friends of Bradley Park CIO was formed in 2016. The Organisations proposals for the Site include the development of a new community hub building and improvement of the open space for the reinstatement of formal sports activities and wider social and community benefit.
- 2.2. Members of the Friends of Bradley Park CIO have met with officers of Kirklees Council with a view to taking a leasehold asset transfer of the Site and have recently submitted a Community Asset Transfer application.
- 2.3. The Friends of Bradley Park CIO proposals for development of a new community hub and improved sports and play facilities at Bradley park Playing Fields are aimed at supporting and encouraging wider use of the site for sport, recreation, education, fitness and social activities by the general public, local community and sports groups.
- 2.4. The new community facility will complement existing limited provision within the area, improving the wellbeing and quality of life for the local community and recreational and social opportunities for all.

2.5. The Organisation have submitted a robust application and business plan in line with the requirements of the current Asset Advancement Policy, this includes the development of policies, outline of service users and financial plans which have been assessed by the Communities and Engagement Team, Locality (which is a third party who are working in partnership with the Council to support groups in capacity building and business planning) and Corporate Landlord.

The application was assessed using the Asset Transfer assessment tool which assesses 5 areas including a financial assessment, impact on community, risk, the asset and the strength of the organisation. This assessment was designed in line with the Hallmarks of an Effective Charity which is written and supported by the charity commission.

- 2.6. The Organisation has secured £100,000 of New Homes Bonus monies from Huddersfield District Committee to part fund the development of the new community facility. In addition, it is proposed that the Council contribute the sum of £77,963.93, being the net balance of the insurance monies received following the demolition and clearance of the former changing facilities.
- 2.7. Payment of the District Committee grant and Councils contribution of the insurance monies will be dealt with under a separate grant agreement between the Council and Friends of Bradley Park CIO. The grant agreement will set out the terms for the release of the monies and long term use for the facility.
- 2.8. The grant of the lease will be conditional of the Organisation securing planning permission for the development of the community hub building. Timescales for the development will be incorporated into the Heads of Terms and proposed lease to the Organisation.
- 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 agreed at Cabinet on the 7th March 2017 with an implementation date of 1st 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 three Community Asset Transfers that were scheduled for 28th March 2017. Bradley Park Playing Fields was one of the three.

The decision options for this request for asset transfer are:

#### a) Refuse the request for an asset transfer?

Community Asset Transfer is one of the strands empowering communities to do more for themselves and is a key Council priority. If either a leasehold or freehold transfer is refused the Organisation will not be able to draw down the relevant funding to allow for capital improvements for the new community facilities on site.

Officers are of the opinion that this is not the recommended option on the grounds that this would prohibit the Organisation from developing the facilities at Bradley Park Playing Fields and delivering the outcomes set out in the proposal.

#### b) Transfer on a leasehold or freehold basis?

Transfer the site either freehold or leasehold with restrictive covenants for community use. This would support the Organisations Business Case which outlines the Organisations intention to increase community use of the site. The Organisation would not be permitted to sublet any part of the site but would be permitted to hire out the community hub building and sports pitches to community groups or individuals on a sessional basis. Officers are of the opinion that leasehold asset transfer with restrictive covenants for community use should be the recommended option on the grounds that the future use of the site would be retained for the community and the Council would achieve revenue savings from the transfer.

#### c) Transfer the Site 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 Advancement Policy, however there is a risk that community use of the site 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 site could be lost to the local community.

#### 2.10 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 Bradley Park Playing Fields is: £165,000 (one hundred and sixty five thousand pounds)

#### **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 Bradley Park Playing Fields 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: £165,000 (one hundred and sixty five thousand pounds)

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 wellbeing of its area.

Following their assessment the Officers are satisfied that the asset transfer of the Site to the Friends of Bradley Park Charitable Incorporated Organisation will be likely to lead to the improvement of the social well-being of the Bradley area.

#### 2.11 Costs and Funding

The Organisation has carried out an analysis of Capital Costs and Funding Sources for the project. The projected capital cost for the construction of the new community building is £183,044. In addition to the £100k New Homes Bonus monies secured through Huddersfield District Committee, it is proposed that the Council contribute the balance of the insurance monies (£77,963.93) received from the insurance claim for the former changing facility. The Organisation has secured funding from the Community Ownership and Management of Assets programme (COMA) for the balance of the development costs.

- 2.12 As part of their business plan the Organisation has submitted detailed budget projections for the next five years setting out the revenue costs associated with the management and maintenance of the site and income streams that will be used to fund these costs. These budget projections have been prepared in conjunction with Local Services 2 You (LS2Y) and are based directly on comparable costs and previous experience of managing similar facilities.
- 2.13 Total maintenance costs for the depot, playing fields and children's play area are currently £4560 per annum.

#### 3. Implications for the Council

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

The transfer will support the Wellbeing agenda ensuring that the site is retained and managed for the use and benefit of all ages, supporting the Early Intervention and Prevention programme.

- 3.2 **Economic Resilience (ER)** There will be no impact.
- 3.3 **Improving outcomes for Children** There will be no impact.

#### 3.4 Reducing demand of services

Under the transfer responsibility for the management and maintenance of the site will pass to the Organisation, reducing demands on Council services. The Bradley Park Playing Depot is surplus to requirements. Inclusion of the depot in the transfer supports the delivery of the ongoing strategic review, rationalisation of assets and reshaping of Services.

#### 3.5 Legal, Financial and Human Resources

If Cabinet approve the retrospective application of the 2017 Asset Transfer Policy, in the case of Bradley Playing Fields, the potential revenue financial implications could be a one off cost of up to £5684.

The transfer will deliver revenue and capital savings to the Council associated with the current management and maintenance of the site.

#### 4. Consultees and their opinions

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

Below is a joint comment from Cllr James Homewood, Cllr Amanda Pinnock and Cllr Jean Calvert:

As Ashbrow Ward Councillors we support the recommendation that Bradley Playing Fields site be transferred to the Friends of Bradly Park. Since the changing room facilities on site were lost in an arson attack in 2014 we have been committed to ensuring that this provision be returned to the site, this plan allows not only for this objective to be met but to improve upon this with the creation of a new community building. Bradley is an area in great need of a facility such as this and we have confidence in the Friends of Bradley Park group to manage this site and future community building successfully. This proposal will mean the Council is no longer required to maintain this large site and will support the promotion of well-being and the wider Early Intervention and Prevention agenda. It is clear that this proposal is mutually beneficial to the Council and the community and we look forward to it being delivered.

### The Friends of Bradley Park were consulted and the following comment was received:

Friends of Bradley Park charity group was formed from several community organisations and local individuals to specifically meet the huge challenge that this opportunity presents. Since our formation we are going from strength to strength. We have increased our membership and experience and have significant public support to compliment the passion, skills, enthusiasm and determination of our members. Together with our advisors, suppliers and supporters we believe that we have what it takes to bring our much loved public park successfully back to life and are excited by the opportunity to do so!

### Parks and Open Spaces (KC) were consulted and the following comment was received:

Parks and greenspaces are in support of allowing the site to be managed for the ongoing benefit of the community with the additional advantage of renewal of the changing facilities promoting sports provision. It should be noted that a review of play provision within the district is presently planned, and any provision within this space will form part of that strategy

#### 5. Next steps

5.1 Subject to Cabinet Committee - Assets approval the Assistant Director (Place) to complete negotiations, agree Heads of Terms and instruct the Assistant Director Legal Governance and Monitoring to complete the lease, grant agreement and any associated documentation with Friends of Bradley Park CIO.

#### 6. Officer recommendations and reasons

Subject to planning permission being secured for the development of a new community hub building Members are requested to:

6.1 Approve the grant of the 125 year leasehold of the Bradley Park Playing Fields site to Friends of Bradley Park Charitable Incorporated Organisation for a nil consideration, the lease to include covenants to ensure that the Site and proposed new community hub building is restricted to community use only.

- 6.2 Note the allocation of £100,000 New Homes Bonus monies from Huddersfield District Committee and approve the payment of the insurance monies of £77,963.93 which will be subject to a Grant Agreement with Friends of Bradley Park Charitable Incorporated Organisation to support the delivery of the new community hub facility subject to terms of the lease and grant agreements.
- 6.3 Members are requested to authorise the transfer of Bradley Playing Fields under the 2017 Community Asset Transfer Policy and note the additional financial implications to the Council as at 3.5.
- 6.3 Approve the Assistant Director (Place) negotiating and agreeing terms for the grant of the lease and grant agreement and the Assistant Director (Legal Governance and Monitoring) completing the lease, grant agreement and any associated documentation for the transfer of Bradley Park Playing Fields to Friends of Bradley Park Charitable Incorporated Organisation.

### 7. Cabinet portfolio holder's recommendations

- 7.1 The Portfolio Holder, Cllr Graham Turner recommends the approval of the grant of the 125 year leasehold of the Bradley Park Playing Fields site to Friends of Bradley Park Charitable Incorporated Organisation for a nil consideration in accordance with the 2017 Community Asset Transfer Policy, subject to planning permission being secured for the development of a new community hub building, the lease to include covenants to ensure that the Site and proposed new community hub building is restricted to community use only.
- 7.2 Cabinet note the allocation of £100,000 New Homes Bonus monies from Huddersfield District Committee and approve the payment of the insurance monies of £77,963.93.
- 7.3 Cllr Turner 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 Bradley Park Playing fields, the potential revenue financial implications would be a one off cost of up to £5684.

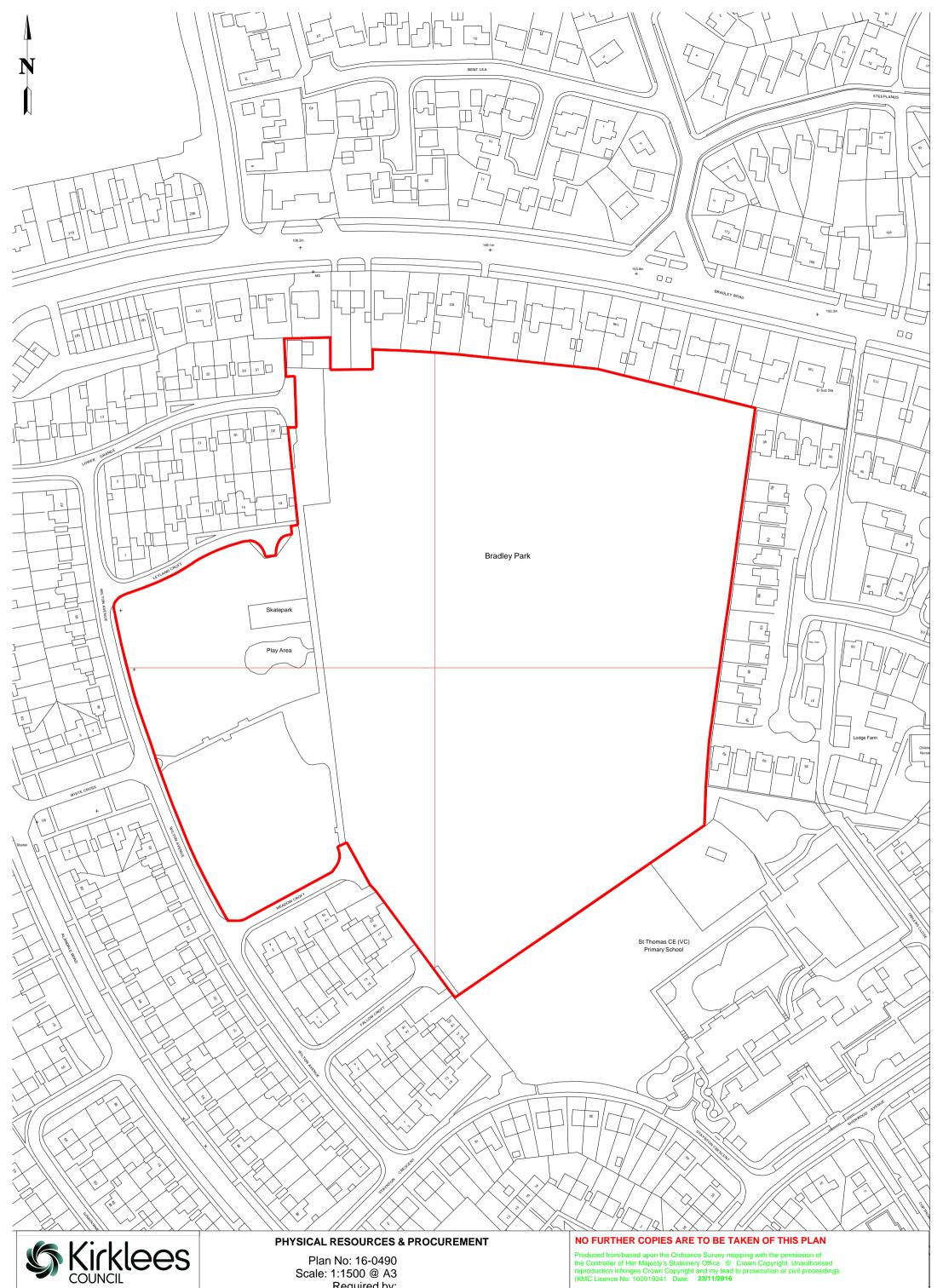
#### 8. Contact officer

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- 9. Background Papers and History of Decisions Appendix A - Red Line Boundary plan (ref. 16-0490a)
- **10.** Assistant Director responsible Paul Kemp Assistant Director (Place)



### PHYSICAL RESOURCES & PROCUREMENT

Plan No: 16-0490 Scale: 1:1500 @ A3 Required by:

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