



**Name of meeting:** Cabinet  
**Date:** 3<sup>rd</sup> December 2019  
**Title of report:** Community Asset Transfer of Milnsbridge Village Hall,  
 Armitage Road, Milnsbridge, Huddersfield, HD3 4JN

**Purpose of report**

This report sets out the proposal to transfer the land and buildings that currently make up Milnsbridge Village Hall, Armitage Road, Huddersfield, HD3 4JN to Milnsbridge Village Hall (Charitable Incorporated Organisation; Number: 1172735)

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 <a href="#">Council's Forward Plan (key decisions and private reports?)</a>	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	Karl Battersby - 12.11.2019
Is it also signed off by the Service Director for Finance?	Eamonn Croston - 12.11.2019
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft - 11.11.2019
Cabinet member <a href="#">portfolio</a>	Councillor Graham Turner (Corporate)

**Electoral wards affected:** Golcar

**Ward councillors consulted:** Cllr Richard Murgatroyd, Cllr Christine Iredale, Cllr Andrew Marchington

**Public or private:** Public

**GDPR - Has GDPR been considered?** Yes, GDPR has been considered. The information in this report does not identify any individuals.

## **1. Summary**

- 1.1 Community Asset Transfer is the transfer of ownership and/or management of public land and buildings from the Council to a community organisation. Assets are transferred at 'less than market value' in order to achieve social, economic or environmental benefit.
- 1.2 Milnsbridge Village Hall ("the Hall") is located on Armitage Road, Milnsbridge, Huddersfield. The freehold is owned by the Council. Milnsbridge Community Trust, a registered charity up until August 2017, have managed and maintained the Hall under a 35 year lease at a nominal rent of £5.00 per annum. The lease expired in 2011 and the tenant is currently holding over. Under the terms of the lease the Council have responsibility to keep the exterior of the demised premises (except the glass) and the walls, floors and main timbers in tenable repair.
- 1.3 The facility was opened in 1977 as a centre to be used for community purposes. Plan Reference 16-0048, which is attached in Appendix A, shows the boundary of the site indicated by a red line.
- 1.4. The Hall offers a useful community space suitable for events for up to 100 people. It currently accommodates a community book lending scheme, a crafting and play space, parent and toddler groups, a knit and natter group and a Friendship Group. It can accommodate physical activities such as dancing, yoga, pilates, kurling and dog training, and is available for hire for private bookings and parties.
- 1.5 As part of the Asset Transfer process the group have adopted a new constitution and have become a Charitable Incorporated Organisation (CIO) registered with the Charity Commission. Milnsbridge Community Trust was removed from the Charity Commission website on 7<sup>th</sup> August 2017 and their funds transferred to the newly incorporated CIO – Milnsbridge Village Hall ('the Organisation').
- 1.6 The Organisation have put forward proposals for an asset transfer of the Hall. It is proposed that the asset is transferred to the Organisation.

## **2. Information required to take a decision**

### **Asset transfer**

- 2.1 The Council's Community Asset Transfer Policy was revised in April 2017. The Policy continues to support groups to transfer assets from the Council at nil consideration in order to further local social, economic and environmental objectives. A copy of the Community Asset Transfer Policy is attached in Appendix B.

- 2.2 The Policy allows for assets to be transferred either through a long-term lease or a freehold transfer. Both options will normally be subject to covenants that restrict the use of the asset to community use. The Policy allows an element of commercial use if this is considered necessary for a successful business model. Commercial use of the asset will normally be restricted to a maximum of 30%.
- 2.3 Trustees of the Organisation have met with Council officers with a view to taking a community asset transfer of the Hall.
- 2.4 The Organisation have submitted a robust application and business plan in line with the requirements of the Community Asset Transfer Policy. The business plan includes details of financial planning, the Organisation's policies, specific information on service users and the current and proposed use of the Hall. The application and business plan were assessed by officers in Corporate Landlord, the Communities and Engagement Team and Locality (a third-party organisation working in partnership with the Council to support groups going through the asset transfer process).

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.

- 2.5 The Organisation's Business Plan includes short and long-term development options. The immediate focus will be on maintaining the building to its current standards allowing it to function safely for existing and potential new users. They have obtained indicative costs for remedial works and made provision for these within their budget projections. The business plan sets out proposed modernisation works including a kitchen refurbishment scheme, window and timber fascia replacement and installation of cavity wall insulation. The Organisation also intend exploring options to make the building more accessible to users.

### **Costs**

- 2.6 Milnsbridge Village Hall is a timber framed and clad building dating back to WW2. The building is in a reasonable state of repair; however, a previous Condition Survey Report identifies works totalling an estimated £46,747. This figure includes mechanical services of £1,309, electrical services of £5,235 and external works to walls, windows and doors of £38,025.
- 2.7 The transfer will provide a revenue saving to the Council of the running costs of the building. Based on 2018/19 expenditure the saving would be £2,276.04.
- 2.8 The Organisation are aware that the building will need replacing in the longer term and a feasibility study for replacement will become a priority once the Community

Asset Transfer is complete. In order to finance replacement costs the Organisation have outlined a proposal to apply for external funding from the Lottery's Reaching Communities Programme and the Power to Change Community Business Fund with match funding from complementary grants such as, Asda Foundation, Garfield Weston, Jewson Building Better Communities and Screwfix Foundation.

## **Options**

2.9 The Council has the following options:-

a) Refuse the request for an asset transfer

The Community Asset Transfer Policy supports the Council's ambitions allowing local people and communities greater control over local assets and the services delivered from them.

Refusal of the Asset Transfer would restrict the Organisation's ability to secure grant funding to improve the facility and in turn potentially affect the long-term viability of the Hall and the services delivered from it.

For these reasons' officers are of the opinion that this is not the recommended option.

b) Transfer the Hall either freehold or leasehold with restrictive covenants for community use with an exception of up to 30% commercial use in line with other Community Asset Transfers and in line with the Community Asset Transfer Policy

The freehold of the Hall can be transferred; however, officers are of the opinion that this is not appropriate. Whilst transfers can contain covenants to ensure that the Hall is restricted to community use and remains available to the community, a freehold transfer limits the Council's ability to intervene in circumstances where the Organisation failed to fulfil their obligations.

Officers are of the opinion the grant of a long leasehold for a period up to 125 years in accordance with the Community Asset Transfer Policy is appropriate. The grant of a long leasehold gives the Organisation the security needed to satisfy grant funder requirements. The lease will include a restrictive covenant that the Hall is used for community use with provision, if required, for the Organisation to sub-let up to 30% of the Hall for commercial use to support the running and long-term sustainability of the facility.

Officers are of the opinion that the lease should be on the basis of a peppercorn rent for the full term, with the Organisation being responsible for the full repair and insuring of the Hall.

The lease will reserve rights for the Council to use the Hall for the purpose of an Electoral Polling Station.

The grant of a long lease provides the Council with remedies in the event that there is a breach of the terms of the lease.

c) Transfer the Hall without restrictive covenants in place

Whilst this approach has not been previously adopted by the Council, it is recognised that, subject to Cabinet approval, the Community Asset Transfer Policy does allow the transfer of assets without restrictive covenants. There is however a risk that the Hall could be lost as a community facility were covenants not included in the transfer. Officers are of the opinion that this should not be the recommended option on the grounds that the future use of the Hall as a community facility 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 Valuation – Global Standards 2017 – VPS 4, 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 Milnsbridge Village Hall is: £80,000

### **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 Milnsbridge Village Hall 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: £80,000.

The Local Government Act 1972 General Disposal Consent (2003) means that specific consent of the Secretary of State 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 Officers of the Council are confident that the transfer of the Hall to the Organisation is likely to promote the social well-being of the Milnsbridge area.

## **3 Implications for the Council**

### **3.1 Working with People**

The proposals for the asset transfer of the Hall have been developed in conjunction with the Organisation. Community asset transfers involve supporting community initiative, helping community organisations to solve their own problems. Community consultation is a key part of the asset transfer process, ensuring that the asset meets the needs of the community. Ward Members are consulted as part of the Cabinet reporting process and given opportunity to make representations on behalf of the community.

### **3.2 Working with Partners**

Partnership working is crucial to the success and sustainability of community asset transfers within Kirklees. Officers work collaboratively with the applicant group, Council services and Locality, a national charity, in the development of asset transfer proposals. Locality is a national charity working with community organisations at a local level to ensure that they are strong and successful.

Groups are actively encouraged and provided with necessary support to ensure that partnership opportunities are fully explored.

### **3.3 Place Based Working**

The Community Asset Transfer Policy underpins Place Based Working, providing an opportunity for a more efficient and effective use of buildings and land currently owned by the Council. It gives local people and community's greater control over local assets and the services delivered from them. It provides new opportunities to

develop and improve land and buildings for local social, economic and environmental benefit.

The transfer of assets allows Council resources to be directed to core essential services.

### **3.4 Improving outcomes for children**

Community assets play a crucial role in the delivery of services to all members of the community, including young people.

The transfer of community assets can maximise their use and provide a place for children, their families, communities and services to work together to provide positive childhood experiences.

### **3.5 Other (e.g Legal/Financial or Human Resources)**

Council costs for the facility in 2018/19 were £2,276.04. The grant of a long lease of the Hall will provide an equivalent revenue saving to the Council.

## **4 Consultees and their opinions**

### **Ward member comments**

#### Cllr Christine Iredale

*I am really pleased to have this go to cabinet I would hope for it to be agreed after such a long while. The committee have worked really hard and it is a credit to all of them. It is well used by all sections of the community.*

#### Cllr Richard Murgatroyd

*I'd support the transfer and am confident that the group currently running the Hall will continue to make a success of the venture. They have proved imaginative and resourceful, encouraging community use in a wide variety of ways. At the same time the management of the Hall has been very professional and well organised. The upkeep of the building and grounds is first rate and has involved support from people throughout Milnsbridge. All together an exemplary community led initiative.*

### **Communities & Strategic VSC Support comments**

#### Andrew Dolman – Third Sector Manager

*For the reasons given in the report; people having control over local assets; communities doing more for themselves; our new relationship with the third sector we are happy for the report to be accepted.*

## **5 Next steps and timelines**

- 5.1 Subject to Cabinet approval the Service Director - Economy and Skills to complete negotiations, agree Heads of Terms and instruct the Service Director - Legal, Governance and Commissioning to complete the lease and any associated documentation with the Organisation.

## **6 Officer recommendations and reasons**

It is recommended that:

- 6.1 Authority be delegated to the Service Director - Economy and Skills to negotiate and agree terms for the grant of a 125 year lease of Milnsbridge Village Hall to Milnsbridge Village Hall CIO, for the reasons set out in the body of the report.
- 6.2 Authority be delegated to the Service Director - Legal, Governance and Commissioning to enter into and execute all necessary documentation in connection with the grant of a 125 year lease of Milnsbridge Village Hall to Milnsbridge Village Hall CIO.

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

*I welcome this asset transfer, the current group has been running this village hall for a number of years very successfully.*

*This is a much valued and well used community asset, and its transfer to the local community, will allow it to develop and continue to provide a community space which will support a large number of local organisations for the residents of Milnsbridge and surrounding area.*

*This is the latest in a series of successful asset transfers that has allowed community's to take ownership of council owned buildings, this allows residents to develop the assets and ensures that the buildings are meeting the needs of local people.*

*Asset transfers are a corner stone of the council's policy of doing with and not to.*

*I therefore recommend that Cabinet support the officer recommendations set out above and that:*

*Authority be delegated to the Service Director - Economy and Skills to negotiate and agree terms for the grant of a 125 year lease of Milnsbridge Village Hall to Milnsbridge Village Hall CIO, for the reasons set out in the body of the report.*

*Authority be delegated to the Service Director - Legal, Governance and*



*Commissioning to enter into and execute all necessary documentation in connection with the grant of a 125 year lease of Milnsbridge Village Hall to Milnsbridge Village Hall CIO.*

**8 Contact officer**

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**9 Background Papers and History of Decisions**

Appendix A – Red Line Boundary plan (Ref. 16-0048)

Appendix B – Community Asset Transfer Policy 2017

**10 Service Director responsible**

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