



**Name of meeting:** Cabinet

**Date:** 14th December 2021

**Title of report:** Community Asset Transfer of Dunromin, 20a Ravens Lodge Terrace, Scout Hill, Dewsbury, WF13 3EF.

**Purpose of report:** This report requests that Cabinet considers and approves the Community Asset Transfer of Dunromin, 20a Ravens Lodge Terrace, Scout Hill, Dewsbury to the 20:20 Foundation.

<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 <u>Council's Forward Plan (key decisions and private reports)?</u></b>	No
<b>The Decision - Is it eligible for call in by Scrutiny?</b>	Yes
<b>Date signed off by <u>Strategic Director</u> &amp; name</b>	David Shepherd - 26/11/21
<b>Is it also signed off by the Service Director for Finance?</b>	Eamonn Croston - 02/12/21
<b>Is it also signed off by the Service Director for Legal Governance and Commissioning?</b>	Julie Muscroft – 29/11/21
<b>Cabinet member <a href="#">portfolio</a></b>	Cllr Paul Davies (Corporate)

**Electoral wards affected:** Dewsbury West

**Ward councillors consulted:** Cllr Mumtaz Hussain, Cllr Darren O Donovan, Cllr Mussarat Purvaiz

**Public or private:** Public.

**Has GDPR been considered?** Yes. There are no GDPR implications.

## Summary

- Dunromin is a small single storey brick building (net internal area 34m<sup>2</sup>) built prior to 1955 by Dewsbury Corporation for use as a polling station. More recently the building has been occupied by the Scout Hill Tenants and Residents Association (now renamed Scout Hill Action Group). The primary focus of Scout Hill Action Group is to support tenants and residents with estate management related matters.
- The property is located at 20a Ravens Lodge Terrace, Dewsbury adjoining the A644 Huddersfield Road. The land forms part of a larger area acquired by the Corporation in 1920 for the provision of housing. The building is in good condition having undergone a full programme of refurbishment works in 2016.
- In 2017 the Council granted a lease to Starr Zaman and Tanny Hussain, being the trustees for the time being of Scout Hill Action Group for a term of ten years at a peppercorn rent. Plan Reference 17-0266, which is attached in Appendix A, shows the lease demise indicated by a red line. The tenant is responsible for the full repairing and insuring of the building. Use of the building is restricted to a meeting place for members of the local community for social, cultural, educational activities or recreational purposes.
- Scout Hill Action Group works in conjunction with the 20:20 Foundation to manage the day to day running of the building and activities delivered from it. The Foundation was established in 2002 by a group of parents and carers with the aim of creating a community hub that would serve the Scout Hill, Pilgrim and wider areas of Dewsbury West. The Foundation has adopted a Small Charity Constitution.
- 20:20 Foundation has submitted an application for the transfer of the Dunromin building under the Councils Community Asset Transfer policy. Scout Hill Action group is aware of and supports the application.
- It is proposed that the asset is transferred by the grant of a 125 year lease at a peppercorn rent to 20:20 Foundation. It is envisaged that the trustees of Scout Hill Action Group will surrender their lease in respect of the premises prior to a new lease being granted to 20:20 Foundation.

## 1. Information required to take a decision

### Council Policy

- 1.1 The Council's updated Community Asset Transfer Policy was approved by Cabinet in September 2020. The Policy supports 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.
- 1.2 The Policy allows for assets to be transferred either through a long-term lease or, in exceptional circumstances, 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.

1.3 Whilst the Dunromin building remains the base from which Scout Hill Action Group continues to operate, the 20:20 Foundation has developed a range of community activities that are now delivered from the property. These include:

- Community café/Food preparation
- IT workshops
- Adults with learning difficulties and disability
- Asian Women's Group
- Asian Men's Group
- Youth and 'Recycled Teenager' sessions
- Youth Sports sessions
- Saturday school

Alongside the regular programme of activities, the Foundation organises events during the year to engage with and bring members of the community together. Events include day trips where residents have an opportunity to socialise, engage with others and learn more about the other services available at Dunromin.

1.4 Located on the outskirts of Dewsbury town centre with good public transport links, Dunromin is well placed to support the nearby community of Scout Hill, Dewsbury Moor, Ravensthorpe, Westborough and West Town.

1.5 In 2019 20:20 Foundation submitted an expression of interest for the transfer of Dunromin, under the Community Asset Transfer Policy. The Trustees were invited to develop a full application and business plan which was finalised in July 2021. The application and business plan have been assessed by officers taking into consideration the community engagement and intended use of the asset, governance and capacity of the applicant group, funding and the financial viability of the project.

1.6 20:20 Foundation currently holds Kirklees GAP (Grant Access Point) registration. Foundation representatives are working with officers within the Councils Third Sector team to obtain Community Interest Organisation (CIO) status, which is a requirement of taking an Asset Transfer.

1.7 Scout Hill Action Group is aware of the application submitted by 20:20 Foundation. At a meeting held on the 12 November 2021 the Trustees passed a resolution to surrender the existing lease agreement subject to Cabinet approving the community asset transfer of Dunromin to 20:20 Foundation.

### **Options**

The Council have 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. Asset Transfer provides applicants with the security needed to secure investment in facilities and develop the services delivered from them.

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

- b) Transfer the site 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 site can be transferred; however, officers are of the opinion that this is not appropriate. Whilst transfers can contain covenants to ensure that the site is restricted to community use and remains available to the community, a freehold transfer limits the Council's ability to intervene in circumstances where 20:20 Foundation failed to fulfil its obligations.

Officers are of the opinion that the grant of a long leasehold for a period of 125 years in accordance with the Community Asset Transfer Policy 2020 is appropriate. The grant of a long leasehold gives the 20:20 Foundation the security needed to satisfy grant funder requirements. The lease will include a restrictive covenant that the site is used for community use with provision, if required, for the Trust to sub-let up to 30% of any buildings space for commercial use to support the running and long-term sustainability of the facility.

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.

Officers are of the opinion that the lease should be on the basis of a peppercorn rent for the full term, with 20:20 Foundation being responsible for the full repair and insuring of the site.

Officers further recommend that the offer of a lease to 20:20 Foundation should be conditional on:

- i. 20:20 Foundation applying for and securing Community Interest Organisation (CIO) or other appropriate incorporated status prior to completion of the lease agreement.
- ii. The surrender of the existing lease agreement by Scout Hill Action Group.
- iii. 20:20 Foundation entering into a Polling Station Agreement which gives the Council the right to use the building for a polling station on election days.

- c) Transfer the site 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 site 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 site as a community facility could be lost to the local community.

## **Valuation**

### **1.8 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 Dunromin is: £30,000 (thirty thousand pounds)

### **1.9 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 Dunromin is: £30,000 (thirty thousand pounds)

### **1.10 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

### **1.11 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: £30,000 (thirty thousand pounds)

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 assessment, Council officers are confident that the asset transfer of Dunromin to 20:20 Foundation will continue to promote the social well-being of the Dewsbury West Ward.

## **2. Implications for the Council**

- **Working with People**

The proposals for the asset transfer of Dunromin have been developed in conjunction with the 20:20 Foundation. Community Asset Transfers involve supporting community initiative and helping communities 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 are given opportunity to make representations on behalf of the community.

The current tenant Scout Hill Action Group is aware of the application by 20:20 Foundation and supportive of the proposed transfer.

- **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 foundations 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.

- **Place Based Working**

Community Asset Transfer supports 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 communities greater control over local assets and the services delivered from them and provides new opportunities to develop and improve land and buildings for local social, economic and environmental benefit. The Community Asset Transfer Policy has been updated to ensure it is consistent with the Council's Vision of giving local people and communities' greater control over local assets and the services delivered from them.

The asset transfer process, as set out in the updated policy, requires that full community consultation and engagement is carried out as part of an asset transfer application. This ensures that local residents, stakeholders and businesses have a say and inform how community assets can help shape their places.

- **Climate Change and Air Quality**

There will be no impact on Climate Change and Air Quality.

- **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.

- **Other (eg Legal/Financial or Human Resources)**

Under the proposals the Council will be forgoing a potential capital receipt of £30,000 were the building to be disposed of on the open market. There are no revenue income or expenditure implications.

**Do you need an Integrated Impact Assessment (IIA)?**

An IIA has been completed and is attached at Appendix C.

**3. Consultees and their opinions**

Cllr Mumtaz Hussain responded:

*I support the Transfer of the site with restrictive covenants for community use in line with other Community Asset Transfers.*

*The asset transfer of the site should be transferred; and I am if the Opinion and take into consideration the great community work and support offered to community initiatives over the last 4/5 years from this venue. The group is an established group with a very high governance and a 5/5 GAP registration done only in Feb 2020. The elected members are in constant contact with both user, trustees and community. I believe this proves the asset transfer should be approved with the covenants. To date council representatives, officers and third sector partnerships have benefited immensely from the work and project by 20:20 foundation. Most notably the continued support for the TRA's, the Foodbank, the inclusive nature of the program and the reach to the wider community of north Kirklees in the initiatives lead by 2020 foundation*

*A community transfer should enable the group to be supported and the ability to fulfil its obligations, without any undue restrictions.*

*Whilst transfers can contain covenants to ensure that the site is restricted to community use and remains available this is always the main priority for the group. I fully support the transfer in my ward of Dewsbury West.*

Cllr Mussarat Purvaiz responded:

*I would back and support the Transfer of the site for freehold for community use for a Community Asset Transfers.*

*I have been involved in supporting the group and have been impressed with the work done by the group in supporting the community needs, we the elected representatives have seen the support offered first hand by the 20:20 foundation in supporting the community. We are in regular contact with group representatives and community champions.*

*I fully support the transfer to 20:20 foundation.*

Cllr Darren O Donovan responded:

*I am supportive of this asset transfer. 20:20 foundation have been and continue to be integral to community engagement, community development and support for local people in our ward. They are part and parcel of the development of other groups in our ward and provide support to them.*

*They continue to be our lead Covid response organisation in the ward and have plans going forward.*

Kirklees Homes and Neighbourhoods responded:

*Homes and Neighbourhoods supports the application. This is in recognition of the valuable work the organisation undertakes in the community including their work with and on behalf of local tenants and residents and looks forward to further joint working following the transfer.*

#### **4. Next steps and timelines**

- 4.1 Subject to Cabinet approval, Officers will complete negotiations and agree terms of the transfer and associated surrender and instruct the Service Director - Legal, Governance and Commissioning to enter into and execute the lease.

#### **5. Officer recommendations and reasons**

**It is recommended that:**

- 5.1 Authority be delegated to the Director of Development to negotiate and agree terms for the grant of a 125 year lease of Dunromin, 20a Ravens Lodge Terrace, Scout Hill, Dewsbury, WF13 3EF, being the land and buildings shown edged red on Plan reference 17-0266 and enter into a deed of surrender for the existing lease to the Scout Hill Action Group for the reasons set out in the body of the report.
- 5.2 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 Dunromin, 20a Ravens Lodge Terrace, Dewsbury to 20:20 Foundation and the surrender of the current lease to Scout Hill Action Group and enter into a Polling Station Agreement.

#### **6. Cabinet Portfolio Holder's recommendations**

Community Asset Transfer is an excellent example of place-based working. It acknowledges the importance of community assets and the significant role they play in providing local services and support to our communities.

I support the officer recommendation for the grant of a 125 year lease to 20:20 Foundation (Option B) under the Community Asset Transfer policy. The grant of the lease provides 20:20 Foundation with the long term security to ensure the continued success of the project and the services it delivers.

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

- Authority be delegated to the Director of Development to negotiate and agree terms for the grant of a 125 year lease of Dunromin, 20a Ravens Lodge Terrace, Scout Hill, Dewsbury, WF13 3EF, being the land and buildings shown edged red on Plan reference 17-0266 and enter into a deed of surrender for the existing lease to the Scout Hill Action Group 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 Dunromin, 20a Ravens Lodge Terrace, Dewsbury to 20:20 Foundation and the surrender of the current lease to Scout Hill Action Group and enter into a Polling Station Agreement.



**7. Contact officer**

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

Appendix A - Red Line Boundary plan (Ref.17-0266)  
Appendix B - Community Asset Transfer Policy 2020  
Appendix C - Integrated Impact Assessment

**9. Service Director responsible**

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