

Community Asset Transfer of the DRAM Centre, Ridgeway, Dalton, Huddersfield, HD5 9QJ
 ("the Property")

Meeting	Cabinet
Date	9 September 2025
Cabinet Member (if applicable)	Cllr Turner (Portfolio Holder Finance and Regeneration)
Key Decision Eligible for Call In	No Yes
<p>Purpose of Report This report requests that Cabinet considers and approves the Community Asset Transfer of the DRAM Centre ("the Property") to Moldgreen ARLFC (DRAM Holdings) Community Interest Company ("the CIC").</p>	
<p>Recommendation That Cabinet approve and delegate authority for the Service Director – Development, in consultation with Portfolio Holder - Finance and Regeneration, to negotiate and agree terms with Moldgreen ARLFC (DRAM Holdings) for the grant of a 125 year lease for the DRAM Centre and instruct the Service Director - Legal, Governance and Commissioning to enter into and execute all necessary documentation in connection with the grant of the lease.</p> <p>Reasons for Recommendation</p> <ul style="list-style-type: none"> • The asset transfer of the Property supports the Council’s ambitions of allowing local people and communities greater control over local assets and the services delivered from them. • The grant of a long leasehold is in accordance with the Council’s Community Asset Transfer Policy 2020. • A long leasehold will give the CIC the security needed to satisfy grant funder requirements whilst ensuring that the building and sports pitches remain available to the local community for the long-term future. 	
<p>Resource Implication:</p> <ul style="list-style-type: none"> • A revenue grant is payable in accordance with the Community Asset Transfer Policy 2020 on completion of the transfer: 2025/2026: £8,826; 2026/2027: £2,942 • The Council is foregoing a capital receipt of £290,000 (valuation as at July 2025) • The transfer of the property delivers revenue savings approved as part of the 2025/26 Council budget. Full responsibility for management, repair, maintenance and insuring the property will pass to the CIC. 	
Date signed off by <u>Executive Director</u> & name	David Shepherd 22 Aug 2025

<p>Is it also signed off by the Service Director for Finance?</p>	<p>Kevin Mulvaney 27 Aug 2025</p>
<p>Is it also signed off by the Service Director for Legal Governance and Commissioning (Monitoring Officer)?</p>	<p>Karl Larrad on behalf of Samantha Lawton 29 Aug 2025</p>

Electoral wards affected: Dalton

Ward councillors consulted: Cllr Munir Ahmed, Cllr Tyler Hawkins, Cllr Musarrat Khan

Public or private: Public

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

1. Executive Summary

- This report requests that Cabinet considers and approves the Community Asset Transfer of the Property to Moldgreen ARLFC (DRAM Holdings) Community Interest Company (“the CIC”).
- The Property is located at Ridgeway, Dalton, Huddersfield, HD5 9QJ. It consists of a sports pavilion building, sports pitches, multi-use games area and a large car park. The freehold of the Property is owned by the Council. Plan Reference 24-0162, attached in Appendix A shows the boundary of the Property indicated by a red line.
- It is proposed that the Property is transferred by way of a 125 year lease under the Council’s Community Asset Transfer Policy 2020.

2. Information required to take a decision

- The Dalton, Rawthorpe, and Moldgreen (DRAM) Sport & Community Centre was built in 2004 as part of a government funded regeneration scheme. A two-storey, steel framed building, it comprises a large function room with bar/kitchen, meeting/conference facilities, changing rooms and WC facilities. Externally the centre is made up of sports pitches, a multi-use games area and large car park.
- The centre has been primarily used as a venue to support Council service needs, with additional uses/bookings made by the wider community and sports teams. It supports local Rugby and Football clubs, providing changing and welfare. The Property was declared surplus to requirements by the Council in November 2023 with the decision made to explore Community Asset Transfer in preference to open market disposal, acknowledging the potential for it to further local social and community objectives.
- The Council’s 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.

- Moldgreen ARLFC (DRAM) Holdings Community Interest Company (“the CIC”) have submitted a robust application and business plan in line with the requirements of the policy. The application has been assessed and approved by a Panel of officers representing the Corporate Landlord, Democracy, Policy and Partnerships, Risk and Public Health service areas.
- The CIC is a newly established organisation that have been set up to lead the asset transfer application, they were registered with Companies House on 17th January 2024.
- The proposal is to maintain and manage the site for use by the local community. The strategic aims are to promote community engagement; provide educational resources; foster youth development; enhance health and wellbeing; strengthen community networks and promote volunteering.
- The CIC plan to extend the community offer available at the centre to include the following activities/services:
 - A drop-in centre to offer a safe/warm space for vulnerable groups
 - Youth Clubs
 - Educational workshops and training courses
 - A weekend café
 - Social and community events such as Craft Fairs, Seasonal events and parties, skills camps, school holiday camps.
- Board members of the CIC are also trustees of Moldgreen Amateur Rugby League Football Club. The rugby club, which has been in existence for over 60 years, currently operates out of the DRAM Centre and provides opportunity for the local community to participate in sports, fitness, educational and social activities. It is the CIC’s intention that the use of the DRAM Centre by the rugby club will continue.
- The rugby club plans to expand their rugby offer to further age groups and introduce female rugby from juniors to open age. They intend to work with the Rugby Football League to become a Community Wellbeing Hub. This is an accreditation programme aimed at building stronger community clubs who are able to play a greater role in delivering local social impact activities, whilst providing an additional source of sustainability to the club.

3. Implications for the Council

3.1 Council Plan

The community asset transfer supports the council plan and the outcomes for Shaped by People, Best Start, Well, Aspire & Achieve, Safe & Cohesive and Clean & Green.

3.2 Financial Implications

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 the DRAM Centre is: £290,000.

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 DRAM Centre 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: £290,000.

Pursuant to Section 123 of the Local Government Act 1972, the Council has a duty to obtain the best consideration that can reasonably be obtained for the disposal of land. However, 'The Local Government Act 1972: General Disposal Consent (2003) (Circular 06/03)' provides that a local authority can dispose of land that is not held for planning or housing purposes at an undervalue of less than £2 million without seeking a specific consent, provided the Council is satisfied that to do so 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 Property to the CIC will promote the social well-being of the Dalton Ward.

By granting the 125 year lease at a peppercorn rent the Council is foregoing a potential capital receipt of £290,000 for an open market disposal. This is somewhat mitigated by the broader community capacity benefits to that area of Dalton, Rawthorpe & Moldgreen and the wider Dalton Ward. Following assessment, Council officers are confident that the asset transfer of the Property to the CIC will promote social well-being within the Dalton Ward.

Other financial implications, revenue etc

Capital

Under the terms of the proposed lease, responsibility for repair, maintaining and insuring the property will pass to the CIC, the Council will therefore avoid future capital costs associated with maintenance of the property.

Revenue

The transfer of the property delivers revenue savings approved as part of the 2025/26 Council budget.

In accordance with the 2020 Community Asset Transfer Policy, a grant equivalent to 15% of the average 2 year running costs (excluding staffing) will be paid on completion of the transfer and a grant equivalent to 5% the following year. This will have a revenue implication of £8,826 in 2025/26 and £2,942 in 2026/27.

3.3 **Legal Implications**

Compliance with Subsidy Control Act 2022

The granting of a lease at an undervalue to the proposed tenant on the proposed terms could constitute a subsidy under the Subsidy Control Act 2022 as it may permit a certain degree of commercial usage. In order to comply with the legislative requirements relating to a subsidy, the Council will either apply the 7 subsidy control principles to justify the giving of the subsidy or will grant the subsidy under the Minimum Financial Assistance exemption and report on this to the BEIS Transparency Database.

Local Government Act 1972; Section 123: Disposal of Public Open Space and Common Land

The property includes a significant area of Public Open Space. In order to comply with the Act, the Council is obliged to publish the intention to dispose of this land. Any objections will need to be considered by Cabinet.

3.4 **Climate Change and Air Quality**

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

3.5 **Other (e.g. Risk, Integrated Impact Assessment or Human Resources)**

Government Grant Funding

As referenced above, Government grant funding was allocated for the building of the Property, as well as grant funding received from Sport England. Copies of these grant agreements have currently not been located but Officers are seeking these documents.

Officers have located an historic Cabinet report which advised that the sum of £634,000 was allocated to the Property from the Government grant funding and £650,000 was to be received from Sport England. However, as the terms of the grant agreements are not currently known, there is a risk that these figures were not the final sums received and that some of the grant funding may be repayable by a clawback within the agreements, but at this time Officers are unable to indicate the financial amount which may be required to be repaid, if any.

There is also the reputational risk to the Council if the disposal is in breach of the grant conditions, however it should be noted that the CIC along with other users of the centre and the local community have been assisting in the management of the Property since it was built and therefore this disposal may be consistent with the intention of the grant awards.

Integrated Impact Assessment (IIA)

The integrated impact assessment has been published on the Kirklees Council website and can be found on the following link: [IIA - 722207363](#) .

4 Consultation

Parks and Open Spaces

The vesting service have been consulted throughout the process and have raised no objections to the transfer.

Highways and Streetscene, Corporate Landlord

The access road is unadopted and responsibility therefore vests with the landowner. Highways Registry and Corporate Landlord have been consulted and support the proposal to include the access road within the transfer.

Policy and Partnerships, Democracy, Public Health and Risk

Each individual asset transfer is developed and assessed in consultation with colleagues in the Community and Third Sector Teams, Legal Services, Finance, Risk and Audit and Corporate Landlord.

Ward Members

Dalton Ward members have been engaged throughout the process and are fully supportive of the proposed transfer.

5 Engagement

Applicant groups are required to undertake community engagement as part of the community asset transfer process with the findings incorporated in the business plan. The CIC have conducted community engagement reaching out to over four hundred members of the local community, the proposed uses of the asset set out in their application reflect the results of the engagement.

6 Options

6.1 Options Considered

- a) Refuse the request for an asset transfer - refusal of the Asset Transfer could see the Property, and the services it would potentially deliver, lost to the local community.

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

- b) Transfer the site either freehold or leasehold – the Community Asset Transfer Policy 2020 allows for freehold transfers in exceptional circumstances. However, officers are of the opinion that this is not appropriate. Freehold transfer limits the Council's ability to remedy should there be a change in the organisation's circumstances or failure to fulfil its obligations.

Officers are of the opinion that the grant of a long leasehold for a period of 125 years is appropriate.

- The lease will include a covenant that restricts the use of the Property to community use with provision for 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%.
- It is proposed that the lease agreement be on the basis of a peppercorn rent for the full term, with the CIC being responsible for the full repair and insuring of the Property.

- The lease will reserve rights for the Council to use the Property for the purpose of an Electoral Polling Station.
- The grant of a long leasehold gives the CIC the security needed to satisfy grant funder requirements.

Officers recommend:

That Cabinet approve and delegate authority for the Service Director – Development, in consultation with Portfolio Holder - Finance and Regeneration, to negotiate and agree terms with Moldgreen ARLFC (DRAM Holdings) Community Interest Company for the grant of a 125 year lease for the DRAM Centre site and instruct the Service Director - Legal, Governance and Commissioning to enter into and execute all necessary documentation in connection with the grant of the lease.

6.2 Reasons for recommended Option

- The asset transfer of the Property supports the Council’s ambitions of allowing local people and communities greater control over local assets and the services delivered from them.
- The grant of a long leasehold for a period of 125 years is in accordance with the Council’s Community Asset Transfer Policy 2020.
- It will give the CIC the security needed to satisfy grant funder requirements whilst ensuring that the Property remains available to the local community for the long term.
- The grant of a long lease provides the Council with remedies including forfeiture in the event that there is a breach of the terms of the lease.

7 Next steps and timelines

Subject to Cabinet approval, the Service Director – Development in consultation with Portfolio Holder - Finance and Regeneration will negotiate and agree terms for the grant of a 125 year lease of the DRAM Centre, being the land and buildings shown edged red on Plan reference 24-0162, and instruct the Service Director - Legal, Governance and Commissioning to execute and enter into all necessary documentation in connection with the grant of a 125 year lease of the DRAM Centre, Ridgeway, Dalton, Huddersfield, HD5 9QJ to Moldgreen ARLFC (DRAM Holdings) Community Interest Company.

8 Contact officer

Mark Varley (Asset Strategy Officer)
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9 Background Papers and History of Decisions

[Community Asset Transfer Policy 2020](#)
[Asset Review November 2023](#)

10 Appendices

Appendix A - Red Line Boundary plan (Ref. 24-0162)
 Appendix B - Community Asset Transfer Policy 2020

11 Service Director responsible

Joanne Bartholomew

