

**Name of meeting:** Cabinet  
**Date:** 15 December 2015

**Title of report:** Freehold Asset Transfer of  
 Wooldale Community Centre Robert Lane  
 Holmfirth HD9 1XZ

Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	Yes
Is it in the <a href="#">Council's Forward Plan</a> ?	Yes
Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	Yes
<b>Date signed off by <u>Director</u> &amp; name</b> <b>Is it signed off by the Director of Resources?</b> <b>Is it signed off by the Assistant Director - Legal &amp; Governance?</b>	Jacqui Gedman - 07.12.15 <i>Paul Kemp on behalf of</i> David Smith - 27.11.15 Julie Muscroft - 4.12.15
Cabinet member <a href="#">portfolio</a>	<b>Resources and Community Safety - Cllr Graham Turner</b>

**Electoral [wards](#) affected:**  
**Ward councillors consulted:**

**Public or private:** Public

**Electoral wards affected:** Holme Valley South

**Ward councillors consulted:** Cllr Kenneth Simms, Cllr Nigel Patrick & Cllr Donald Firth

**Public or private:** Public

### 1. Purpose of report

- 1.1 This report sets out the proposal to transfer the land and buildings, on a freehold transfer, which currently make up Wooldale Community

Centre Robert Lane, Holmfirth, HD9 1XZ to the Wooldale Community Association. The conditions of the freehold transfer will include covenants to ensure that Wooldale Community Centre is a building that principally remains available for community use only.

- 1.2 Community Asset Transfer involves transferring the ownership of land buildings from a statutory body to a community organisation at 'less than best consideration' - that is at less than its full market value - in order to further local social, economic and/or environmental objectives. The Council's Asset Advancement Policy was approved at Cabinet in 2013.

## **2. Key points**

### **Background**

- 2.1 Wooldale Community Centre located on Robert Lane, Wooldale; the community centre ("the Centre") is a vibrant venue that has been used by the community for more than 40 years. The centre is currently being leased to the Wooldale Community Association and they are currently holding over on their current lease which expired in June 2013. The centre over the last few years has seen an active interest from members of the community with the sole aim to maintain and develop the Centre.

More recently, members of the Committee met with officers of Kirklees Council with a view to taking sole ownership of the Centre on a freehold basis and strengthening their committee.

The Centre has a number of regular and private users.

The rear part of the Centre, constitutes the Kirkroyds Pre-School, which has been running as a pre-school for more than twenty years.

- 2.2 The current group have been running and managing the Centre since 1978. There is a lease in place with shared maintenance responsibilities, Wooldale Community Centre have maintained the Centre to a high standard and has made considerable improvements to the fabric of the building during the term of the lease.
- 2.3 Wooldale Community Association has continually increased the number of community members accessing the Centre. The Centre is a well-used hub of the community and delivers training and career opportunities as well as childcare and health. The Centre is well marketed and used over the weekend period for private parties.
- 2.4 Wooldale Community Association has submitted a robust application and business plan in line with the requirements of the Asset Transfer Policy, this includes development of policies, building running capacity, financial plans - this has 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, to ensure a robust application 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.

## **Asset Transfer**

- 2.5 The Council's Asset Advancement Policy was developed in response to the Quirk review and subsequent localism agenda and approved by Cabinet, 8 October 2013. The policy allows for assets to be transferred either through long term leases or freehold transfer, but normally with covenants which restrict use to community use.

The decision options for this request for asset transfer are:

- a. Refuse the request for asset transfer. The Community Association are currently holding over, on a 35 year lease and therefore have a leasehold interest, which means, they have an entitlement to apply to the Court for a new lease which might leave the Council with "landlord" responsibilities, for aspects of the maintenance and repair of the building, which in turn would continue to be a drain on the Council's resources and the prospect of a market rent being applied for the lease.

**Officers are of the opinion that this should not be the recommended option on the grounds that this would leave the Council with onerous responsibilities that would cost more for the Council to discharge, than any rent that would be received and also would not support the Groups submitted business case.**

- b. Transfer with a restrictive covenant. There are two choices/options here:
- o Transfer subject to a restrictive covenant that will prevent the Centre from being used for any other purpose than community use.

This would restrict the Community Association's ability to allow their current tenants to remain in situ and this would therefore have an effect on their ability to sustain the Centre in the longer term.

This would align with all preceding asset transfer decisions that have occurred with other community centres, however, it would restrict the Community Association's ability to allow their current tenants to remain in situ and this would therefore have an effect on their ability to sustain the Centre in the longer term.

**Officers are of the opinion that this should not be the recommended option on the grounds that this will not allow the Community Association sufficient flexibility to permit their current tenants, to continue using the Centre.**

- Transfer subject to a restrictive covenant which (i) restricts use of the rear part of the Centre to a pre-school and/or nursery and/or community use (as to enable the existing pre-school to continue) and (ii) which restricts the rest of the Centre to community use only. This allows the Community Association flexibility, to allow current tenants to continue at the Centre, helping to ensure the long term sustainability of the Centre and supports the submitted business case.

**Officers are of the opinion that this should be the recommended option, on the grounds that this allows the Community Association, flexibility to allow current tenants to continue at the Centre, helping to ensure the long term sustainability of the Centre.**

- c. Transfer the Centre without restrictive covenants in place. Whilst this approach has not been adopted before, it is recognised, that subject to Cabinet approval, this option would fit within the current Asset Transfer Policy. However there is significant risk, that the Centre's future use as a community venue 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 community venue could be lost to the local community.**

## **Costs**

- 2.6 The building at the Centre is in a good state of repair, however the Conditions Survey does identify works totalling £82,900, the main areas for investments would be external walls, windows and doors which are estimated at £59,300, Roofing works estimated at £6800 and internal walls and doors estimated at £6400. The majority of which, under their current lease, the Council will be responsible for. In transferring the building, the Capital Repayment Costs circa £5800 will be avoided.
- 2.7 The current building running costs to the Council are £8300, due to the lease currently holding over and having a shared responsibility for Repairs and Maintenance. The freehold transfer will result in a £8300 saving to the Council.

## **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 Wooldale Community Centre is: £250,000**

### **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 Wooldale Community 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: £250,000**

*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.*

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

- 3.1 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 Wooldale Community Association meets the economic and social factors for the Holme Valley area.
- 3.2 The transfer of Wooldale Community Centre will support the community and recognises the benefit of these groups in sustaining the economic, health and wellbeing of the local community.

#### **4. Consultees and Their Opinions**

- 4.1 Wooldale Community Association is constantly consulting with the local community regarding their needs from the community centre. When the group considered asset transfer back in 2013, they carried out a substantial community consultation with regards to the communities need for the buildings and also to attract volunteers to assist with running the centre.

The group have been consulted in December 2015 and have no further comments to add and agree with the recommendations based on this report.

- 4.2 Ward Councillors have been consulted in November 2015 and support the asset transfer to Wooldale Community Association.

#### **5. Officer Recommendations and Reasons**

- 5.1 Members are requested to authorise officers to transfer the freehold of Wooldale Community Centre to Wooldale Community Association for no premium/nil consideration and to include covenants to ensure that (i) the rear of the Wooldale Community Centre that is currently occupied by Kidroyds School can only be used as a pre-school and/or nursery and/or for community use and (ii) that the other parts of the Wooldale Community Centre can only be used for community use.
- 5.2 Members are requested to note the Assistant Director of Physical Resources and Procurement and Assistant Director Legal Governance & Monitoring have delegated authority to negotiate and agree the terms of the freehold transfer that relate to the transfer of the Wooldale Community Centre to the Wooldale Community Association.

#### **6. Cabinet portfolio holder's recommendations**

- 6.1 The Portfolio Holder, Cllr Graham Turner recommends the freehold transfer of Wooldale Community Centre to Wooldale Community Association for no premium/nil consideration subject to the restrictive covenants discussed in paragraph 2.5 - which states - *that the proposed asset transfer route, subject to Cabinet approval, is therefore to transfer the buildings and land on a freehold basis to Wooldale Community Association at nil cost but with a restrictive covenant which (i) restricts use of the rear part of the Centre to a pre-school and/or nursery and/or community use (as to enable the existing pre-school to continue) and (ii) which restricts the rest of the Centre to community use only.*

#### **7. Next Steps.**

- 7.1 Officers from Physical Resources and Procurement will complete negotiations and agree terms of the transfer for the asset transfer to take place.

## **8. Contact Officer and Relevant Papers**

Mark Gregory, Head of Corporate Landlord  
[mark.gregory@kirklees.gov.uk](mailto:mark.gregory@kirklees.gov.uk)  
(01484) 221000

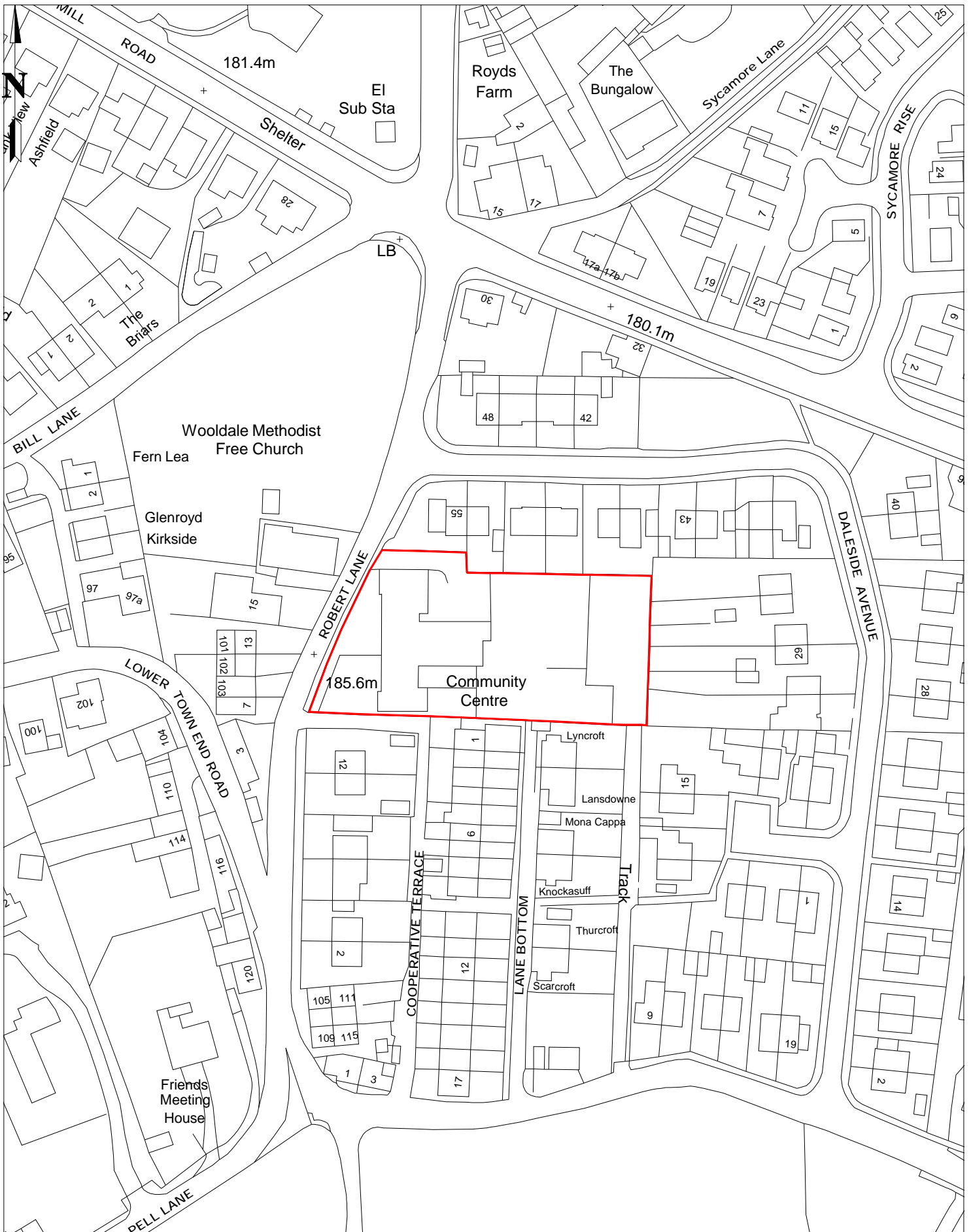
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(01484) 221000

## **9. Assistant Director Responsible**

Joanne Bartholomew - AD - Place

## **10. Appendices**

10.1 Wooldale Community Centre Red Line Boundary



**PHYSICAL RESOURCES  
& PROCUREMENT**

Plan No: 15-0519

Scale: 1250

Required by:

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