Council Report
Cabinet and Commissioner’s Decision Making Meeting – 11 September 2017

Title
Determination of Asset Transfer Requests

Is this a Key Decision and has it been included on the Forward Plan?
Yes

Director Approving Submission of the Report
Damien Wilson, Strategic Director Regeneration and Environment

Report Author(s)
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Ward(s) Affected
Boston Castle Ward, Rother Vale Ward and Keppel Ward

Executive Summary

The purpose of this report is to seek approval for the granting of three Asset Transfer Policy lease agreements without break options which is a departure from the current adopted policy and therefore cannot be approved under the existing Officer Scheme of Delegation.

Recommendations

1. That all three requests for Asset Transfer Policy lease agreements as detailed within the report be approved.

2. That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the requests.

3. That the Assistant Director of Legal Services be authorised to complete the necessary documentation.

List of Appendices Included

Appendix 1 and 2: Site and Location Plan – Canklow Depot

Appendix 3 and 4: Site and Location Plan - Ulley Recreation Ground

Appendix 5 and 6: - Site and Location Plan – Chislett Community Centre
Background Papers

Rationalisation of the Property Portfolio: Canklow Depot, Canklow Road, Rotherham Capital Strategy and Asset Review Team Report – 27 February 2014

Rationalisation of the Property Portfolio: Chislett Youth and Community Centre, Kimberworth Cabinet Report 7 November 2012

Rationalisation of Property Assets – Report on the Adoption Of An Asset Transfer Policy - Cabinet 20th July 2011

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No

Council Approval Required
No

Exempt from the Press and Public
No
Title
Determination of Asset Transfer Requests

1. Recommendations

1.1 That all three requests for Asset Transfer Policy lease agreements as detailed within the report be approved.

1.2 That the Assistant Director of Planning, Regeneration and Transport be authorised to negotiate the terms of the requests.

1.3 That the Assistant Director of Legal Services be authorised to complete the necessary documentation.

2. Background

2.1 The Council adopted a policy to enable the transfer of Council held land and property assets to the community in an efficient and sustainable way, for the benefit of the community as a whole. This policy was adopted by Cabinet on the 21 July 2011.

2.2 The default position is that assets are transferred by way of a lease or a licence rather than a freehold disposal. The length of agreement granted will be dependent upon the strength of the business case and the requirements of both the Council and the Applicant and potential grant funders or specific business case.

2.3 In all circumstances the agreement will require the Applicants to be responsible for the full cost of insuring, repairing, ongoing maintenance and complying with all statutory requirements in relation to the asset transferred for the duration of the agreement.

2.4 All agreements contain a break option in favour of the Council, in the unlikely but possible event that the asset transferred is required for wider community development directly (the asset or surrounding site itself) or indirectly (i.e. for the benefit of a capital receipt)

2.5 All asset transfer leases and agreements that comply with the existing Asset Transfer can be considered under the existing Officer Scheme of Delegation. However, where an asset transfer request falls outside of the adopted policy, such as a request to exclude break options, such agreement requires Cabinet consideration.

3. Key Issues

3.1 Canklow Depot - Casting Innovations Limited (CIL) is a not for profit organisation currently occupying the former depot identified within Appendices 1 and 2 under a 10 year Asset Transfer lease agreement, which commenced on the 17 November 2014. The former depot is used by CIL as a base for its operation in collecting waste materials from the locality, recycling these in order to produce a range of products for re-sale or re-use.
3.2 CIL are a registered social enterprise company and are a not for profit organisation who are committed to re-investing any surplus profit back into the local community.

3.3 In conjunction with Target Housing they have requested for the term of the lease agreement to be extended to 25 years without any break options, in order to secure grant funding. CIL have confirmed that the grant funding which was applied for and secured as part of the original asset transfer was from Social Investment Business (SIB), a grant specifically designed to support asset transfer and the development of ‘community hubs’. CIL and Target Housing are now collectively seeking SIB funding in order to secure a further £300,000 to invest into the former depot and create local jobs as well as improve the infrastructure. As part of the negotiations of the proposed terms the necessary safeguards will be included within in the lease in the event that funding is not secured, such as the re-instatement of break clauses.

3.4 Ulley Recreation Ground - Ulley Parish Council held a 40 year lease on the recreation ground which expired in 2006 as identified within Appendices 3 and 4. Since this time the Parish Council’s occupation of the recreation ground has continued on the same terms and conditions of the previous lease on a periodic basis, until either party formally terminates it (i.e. by serving notice to quit or renew). Under these terms, Ulley Parish Council continues to be responsible for the recreation ground including its existing maintenance responsibilities.

3.5 The Parish Council are seeking a new 50 year lease under the Council’s Adopted Asset Transfer Policy without the break options. The benefits to both Councils is that this long term commitment on both parts will protect the long term future of the recreation ground for the residents of Ulley. This will also ensure that the Parish Council continue to be responsible for the ongoing maintenance liabilities and responsibilities. In previous years leases have been granted to other Parish Councils’ on land used for recreational purposes (for both open spaces and allotments) for period of 25, 30 and 50 years.

3.6 The site is currently allocated as greenbelt and is an area of high landscape value under Rotherham’s adopted Unitary Development Plan and has not been identified for development within the Council’s Local Plan, which sets out a long-term development strategy for land in Rotherham.

3.7 Chislett Community Centre - Kimberworth Park Community Partnership (KPCP) currently holds a 21 year Asset Transfer lease on the youth and community centre from 24th February 2014, as identified within Appendices 5 and 6. This was granted without break options and therefore outside of the Council’s Adopted Asset Transfer Policy and previously approved by Cabinet on the 7 November 2012. This was granted to secure funding to extend/develop and refurbish the community centre which resulted in securing grant funding of £486,000.
3.8 Following the completion of the works which have substantially increased the lifespan of the building, KPCP have now requested that the existing term of the lease be extended to 99 years. This has been requested to secure the long term future of the Community Centre so that the benefits of refurbishment works and the community services delivered by the building are continued in the long term. As part of the negotiations of the proposed term extension the necessary safeguards will be included within the lease in the event that KPCP cease to operate and no longer deliver the community benefits.

3.9 The site is currently allocated as a Community Facility under Rotherham’s adopted Unitary Development Plan.

3.10 KPCP have also requested that the currently underutilised garage site to the north east of the Chislett Community Centre is transferred to them under the Adopted Asset Transfer Policy with a mutual break option which will be dealt under the existing Officer Scheme of Delegation. KPCP propose to use this area as additional parking for the much used community centre, maintaining the required secondary access to the adjoining Redscope Primary School.

4. Options considered and recommended proposal

4.1 For all three assets, an alternative to long term leases is a freehold transfer at a nil consideration. This option has been discounted on all assets as this limits the control the Council has on both the asset itself and the use that the asset is put to. Retaining the freehold interest ensures that the community gains of the asset transfer policy are realised.

4.2 The option of not granting the requests has been considered though rejected with the reasoning set out below. It is recommended that all three requests are granted and that the Assistant Director - Planning, Regeneration and Transport negotiate the terms of the requests and the Assistant Director of Legal and Democratic Services completes the necessary documentation.

4.3 Canklow Depot - Casting Innovations Limited (CIL) – Alternative option considered - Do not grant CIL the required lease and request that they continue in occupation on the existing agreement. This option has been discounted, as without the required lease in place the organisation will be unable to access external grant funding and the development of the site as a community hub will not be realised.

4.4 Ulley Recreation Ground - Ulley Parish Council – Alternative option Considered - Retain the asset and do not grant the requested lease. Should a new lease not be granted the Council would then be responsible for the maintenance liability of the land and associated play equipment. Accordingly, for reasons of good estate management this option is not supported.
4.5 **Chislett Community Centre - Kimberworth Park Community Partnership** (KPCP) Alternative option considered - Do not grant KPCP the required lease and request that they continue in occupation on the existing agreement. This option has been discounted as KPCP have demonstrated that they can effectively develop and run a much needed community facility in the locality. Having secured £486,000 in grant funding to transform a former dilapidated community building, the level of investment is greater than the value of the original asset transferred.

5. **Consultation**

5.1 **Canklow Depot** - Consultation has been carried out with Boston Castle Ward Members. One member confirmed support to the recommendation with the proposal to grant CIL a lease for 25 years without break clauses. Adding that, CIL has continued to go from strength to strength at the former depot site and are also supporting other community groups in Canklow. No objections were raised during this consultation.

5.2 **Ulley Recreation Ground** - Consultation has been carried out with the Rother Vale Ward Members. Two members confirmed their support to the recommendation without the break clause. No objections received during this consultation.

5.3 **Chislett Community Centre** - Consultation has been carried out with the Keppel Ward Members with support to the proposal being provided by two of the Ward Members. No objections received during the consultation.

6. **Timetable and Accountability for Implementing this Decision**

6.1 It is proposed that if approved by Cabinet the Assistant Director of Legal Services will be instructed to complete the necessary documentation, following the call in period.

7. **Financial and Procurement Implications**

7.1 There are no financial or procurement implications as a result of these proposals.

8. **Legal Implications**

8.1 There are no direct legal implications arising from the report. The report recommends a departure from current adopted policy and sets out why it is felt such a departure can be justified. The necessary documentation will be completed in due course by Legal Services.

9. **Human Resources Implications**

9.1 There are no human resource implications as a result of these proposals.
10. **Implications for Children and Young People and Vulnerable Adults**

10.1 There are no implications as a result of these proposals in relation to Canklow Depot.

10.2 For Ulley Recreation Ground, the proposals will enable the existing play equipment to continue to be available for children and young people in the area.

10.3 For Chislett Community Centre, the proposals will secure the existing services that KPCP and its partners deliver to both young people and vulnerable adults for the long term.

11. **Equalities and Human Rights Implications**

11.1 There are no implications as a result of these proposals.

12. **Implications for Partners and Other Directorates**

12.1 There are no implications as a result of these proposals.

13. **Risks and Mitigation**

13.1 No risks or subsequent mitigation has been identified.

14. **Accountable Officer(s)**

   Damien Wilson, Strategic Director, Regeneration & Environment
   Paul Woodcock, Assistant Director of Planning, Regeneration and Transport