

**Wards Affected:**

Denbigh

**TRANSFER OF COMMUNITY ASSETS – FRANK MORAN CENTRE TRANSFER OF OWNERSHIP TO WEST BLETCHLEY COUNCIL****Authors:**

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**Executive Summary:**

Following a pilot scheme under the Community Asset Transfer programme, it is proposed that the property and all of the assets of Frank Moran Centre are transferred to West Bletchley Council. This future arrangement will, under the leadership of this Town Council continue to provide improved high quality provision of various community activities for the people of Milton Keynes into the future.

**1. Recommendation(s)**

That the Freehold ownership of all of the assets of Frank Moran Centre to West Bletchley Council, on the basis of the Heads of Terms attached to this report (**Annex A**), and subject to the leasehold occupancy of the pre-school and an electricity substation be transferred

**2. Issues**

- 2.1 In a report to Cabinet in January 2012, it was suggested that a pilot be undertaken with five community assets which have the potential for transfer. These were: Green Park Community Centre, Stony Stratford Library, Simpson Village Hall, Frank Moran Centre and Downs Barn Pavilion and Sports Ground. West Bletchley Council (WBC) as one of two applicants for Frank Moran Centre had to under-go a robust process before the asset was considered for transfer. (The other applicant, Church Of God Of Prophecy did not progress beyond stage one).
- 2.2 The Toolkit: 'Milton Keynes Council's Approach to Community Asset Transfer', referred to in the report to Cabinet in January 2012 was applied to the pilot. Through the two stage application process and subsequent assessment panels, WBC demonstrated that they met the criteria in terms of being a locally run, locally controlled, non-profit distributing, inclusive, and democratic organisation. Their subsequent business plan submission clearly demonstrated that as an organisation they meet the required requirements under the CAT programme for the freehold transfer, and in the opinion of officers they have the relevant experience of delivering services to the local community.

- 2.3 The existing tenant Melrose Pre-School's lease expired in June 2010. The pre-school have a tenancy protected by the Landlord and Tenant Act 1954 and that they are entitled to call for a new 15 year lease.

WBC has provided this statement from their business plan:

*"WBC has a proven track record of supporting local residents, providing a range of services and facilities required by them, often in conjunction with appropriate other agencies from across the city. The council was re-accredited with Quality Status in November 2011 and holds the General Power of Competence."*

In their business plan, WBC sets out the firm commitment going forwards as follows:

*"West Bletchley Council has been keen to secure additional premises to allow the work at the centre to both expand, in terms of numbers who can access them, and extend, in terms of the types of activities that can be offered. The Frank Moran Centre presents the best possible location, being situated within 100 metres of the existing centre. It is intended that the two venues will run 'side by side'."*

- 2.4 It is proposed to transfer the site, for the sum of £1, subject to the leasehold occupancy of the pre-school and an electricity substation; restrictive covenants; claw back and a right of pre-emption to protect the Council's interests in ensuring that the asset continues to be used for community related purposes. The agreed Heads of Terms are identified in the attached **Annex A**. The Council is able to transfer the properties at less than best value through the use of the well-being powers contained in the General Disposal Consent, which allows for such a disposal where it benefits the economic, social or environmental well-being up to a maximum of £2 Million. The property has been valued at less than £2 Million and at less than the State Aid threshold of 500,000 euros.
- 2.5 Controls would be centred upon general property related restrictions and claw-backs based upon facility use. These will be in the form of community protections related to restrictive covenants to ensure that the use of the facility is of a similar or related nature, that commercial activities can only be complementary and supportive to the overall use of the facility and that the facility cannot be left vacant for more than one year or sold or leased to another organisation without the Council's permission. There will also be claw-back provisions requiring the payment of money to the Council in the event of a change of use. If these covenants are breached the facility could (at the Council's option) revert to Council ownership

### 3 Options

The alternative option would be for the Council to continue taking full responsibility for Frank Moran Centre its liabilities and relevant capital investment in the future. However, this does not recognise the value of 'Localism', enabling local community partners to take more responsibility for

local assets and to empower these new arrangements with those organisations that may be best-placed to achieve this.

## 4 Implications

### 4.1 Policy

The Council's approach to Community Asset Transfer was formally adopted on 31<sup>st</sup> July 2012 following a delegated decision.

The objectives of the programme are firmly embodied within the current version of the Corporate Plan and the guiding principles of the Council's Organisational Transformation Programme.

### 4.2 Resources and Risk

WBC would take full responsibility for the asset its liabilities and relevant capital investment into the future.

With the Freehold transfer taking place the Council's Landlord responsibilities would fall away resulting in a saving of £2,294 in revenue costs.

Y	Capital	Y	Revenue	N	Accommodation
N	IT	Y	Medium Term Plan	Y	Asset Management

### 4.3 Carbon and Energy Management

Maintaining the resources at Frank Moran Centre would provide a service for a wide variety of community groups (particularly young people) locally which they would otherwise have to travel further afield to achieve.

### 4.4 Legal

Throughout, the Council's Legal team have been closely monitoring the impact of any legislation that might affect the progress of CAT and will continue to do so in the future.

The proposal is in line with the Government's Localism Act 2011.

Transfers at undervalue would potentially contravene State Aid regulations, which means they would be unlawful. Officers will need to look into whether State Aid applies with every transfer at undervalue.

Under S123 of the Local Government Act 1972, property disposals are to occur on the basis of best value being obtained. The Local Government Act General Disposal Consent 2003 provides a relaxation to this requirement up to a maximum value of £2M.

### 4.5 Other Implications

As an integral part of this transfer arrangement an Equalities Impact Assessment has been completed. **(Available on request)**

The programme was promoted on the Council's web link applications and the two stage application process was made available on-line.

Thorough public consultation on the Community Asset Transfer (CAT) Toolkit took place over a three-month period (31<sup>st</sup> January 2012 – 24<sup>th</sup> April 2012). Stakeholders had the opportunity to attend numerous events that were held across Milton Keynes and a public engagement event was held at Frank Moran Centre clarifying the specific aspects related to this proposed asset transfer.

The local Ward Members as key stakeholders are aware of this development and have been involved in the consultation.

Y	Equalities/Diversity	N	Sustainability	N	Human Rights
Y	E-Government	Y	Stakeholders	N	Crime and Disorder

**Background Papers:**

**Annex A:** Heads of Terms for the transfer of Frank Moran Centre

**Annex B:** Plan of Land to transfer