

## **BARNSELY METROPOLITAN BOROUGH COUNCIL**

**This matter is not a Key Decision within the Council's definition and has not been included in the relevant Forward Plan**

### **Report of the Executive Director Core Services**

#### **COMMUNITY ASSET TRANSFER: MILTON HALL, FITZWILLIAM STREET, ELSECAR, BARNSELY**

#### **1. Purpose of Report**

- 1.1 The purpose of this report is to consider a request for a Community Asset Transfer to the Milton Hall Group to develop, consolidate and expand the community facility currently located and operated from Milton Hall.
- 1.2 To approve the Transfer in the form of a lease for the development and expansion of the existing community facility at Milton Hall.

#### **2. Recommendations**

- 2.1 **That Cabinet approves the Community Asset Transfer based on the finalised business case from the Milton Hall Group to develop and expand the existing community facility at Milton Hall.**
- 2.2 **That the Service Director Assets be authorised to finalise heads of terms for a 25 year lease to the Milton Hall Group for a nominal rental to develop and expand the existing community facility at Milton Hall.**
- 2.3 **That the Executive Director Core Services be authorised to complete the lease to the Milton Hall Group**

#### **3. Introduction**

- 3.1 This report provides an update on the continuing development, consolidation and expansion of the existing community facility at Milton Hall and the proposals put forward by the Milton Hall Group to continue to operate and develop a successful and sustainable community run facility.

- 3.2 Milton Hall is a grade II listed traditional stone built building located on Fitzwilliam Street opposite the Elsecar Heritage Centre. The hall currently provides the community with a place for social interaction, social events, indoor recreational sport, course and learning opportunities and meeting spaces for hire.
- 3.3 The hall was let to Milton Hall Group on a 10 year lease from 1999 at a nominal rent on a full repairing basis with the Council insuring the building. Since the expiry of this lease the community group have been holding over and have continued to run and manage the facility from the hall.
- 3.4 Milton Hall Group is a not-for-profit Company Limited Guarantee (Company Registration Number 03488297). It does not have charitable status, but it is currently reviewing the possibility of achieving such status. The Group has experience in operating this particular community facility and working with the local communities.
- 3.5 More recently the Milton Hall Group has approached the Council with a view to building on their existing relationship and a possible community asset transfer. The proposals put forward being for a new lease or a freehold transfer of the community hall to this group. Doing this should see the existing facility continue to operate and continue to benefit the local community.
- 3.6 The Group have been managing this facility since 1999 and feel that there is a definite community requirement for this particular facility. To this end they have produced a first draft of a Business Plan which details their thoughts, aspirations and plans for the continuation and expansion of the existing community facility at Milton Hall. This Business Plan will be further developed and finalised prior to granting the new lease to the Group.
- 3.7 They are looking to continue to run the facility for community purposes for the benefit of the local and wider community of Barnsley, which if successful will see the building continue in community use.
- 3.8 When the Council acquired Milton Hall in 1986 the use of the property was restricted to that of a community hall. As a result the building will have to continue in this use regardless of who manages the facility.
- 3.9 The Council therefore proposes that the Milton Hall Group take the hall into community ownership by way of new lease as outlined below.

#### **4. Proposal and Justification**

- 4.1 It is proposed that the Milton Hall Group will be granted a 25-year lease of the property at a nominal rent. Under the terms of the lease they will continue to be responsible for repairing and maintaining the premises and paying all outgoings and utility charges for the property. The Council will insure the property and recover the cost of the insurance from the Group.

- 4.2 Local Authorities are required to obtain best consideration when disposing (including selling and leasing) of assets. However under Circular 06/03 of the Local Government Act 1972 – General Disposal Consent (England) 2003 leasing at less than best consideration can be authorised where the value is less than £2Million and it is granted to secure the promotion and improvement of the economic and social well-being of the citizens’ of the Borough.
- 4.3 The proposed lease will contain a landlord and a tenant break clause, subject to 6-months’ written notice. It will also contain a keep open for community purposes clause. The break clause will ensure that the Group are not entering into a new agreement which is too onerous on their part and allow them to break the lease should operating the community facility cease to be a viable proposition. On the other hand the Council will also be in a position to terminate the lease should the Group fail to operate the facility in accordance with the terms of the lease.
- 4.4 The Milton Hall Group have been holding over since the expiry of their original lease, so it is intended to formalise the continued occupation by granting a new lease to the Group, which will provide an opportunity to update the terms and conditions of the occupational agreement where required / necessary.
- 4.5 The Milton Hall Group will be seeking to expand and add to the range of events and activities at the community hall. They have been managing and running the facility for almost 20-years now so they have a degree of experience and expertise as far as this facility is concerned.
- 4.6 The Centre is in the Heart of Elsecar, providing a place for social interaction and social events, indoor recreational sport, course and learning opportunities and meeting spaces for hire. The Group is looking to expand on this existing base to develop a vibrant and dynamic community asset
- 4.7 The community hall already has several other user groups, which will provide a source of income to assist in the continued operation of the facility in the early years of the new lease.
- 4.8 As previously stated when the Council acquired Milton Hall in 1986 the use of the property was restricted to that of a community hall. As a result, the building will have to continue in this use regardless of who manages the facility, unless the Council seeks a release from this particular covenant. By undertaking the proposed community asset transfer the property will continue to operate as a much needed community facility, thereby ensuring that the Council is not in breach of covenant.

## **5. Consideration of Alternative Approaches**

- 5.1 The Council could consider transferring the freehold of the hall to the Milton Hall Group. However, acting in this way would not give the opportunity to regain possession of the building at short notice, should the community venture cease to be a viable proposition. Therefore this is not considered a viable option to pursue.

- 5.2 The Council does not have the necessary budgets to take over and operate this community facility in line with the restriction on user that is contained within the Council's title to this particular property. Therefore continued occupation by the community group in the form of the proposed Community Asset Transfer lease is necessary to avoid being in breach of covenant. As a result not undertaking the proposed Transfer by way of a lease is not considered a viable option.

## **6. Impact on Local People**

- 6.1 The continuing development, consolidation and expansion of the existing community centre will see a much needed facility retained in Elsecar. This should benefit not only the local community, but the Borough as a whole. This would be lost if the asset transfer does not take place and the centre is forced to close.
- 6.2 By targeting and attracting the diverse range of customers and user groups they hope to develop the facility further to support local people, support life-long learning and develop community ownership of the hall.
- 6.3 It is accepted and recognised that the success of the community centre depends upon identifying and addressing the needs of local residents and the centre will be run to consistently support and attract these people, looking to embrace those experiencing or at risk of social and/or economic exclusion. Expanding the range of events and activities offered from the centre and seeking to operate it in line with their Business Plan should help to intensify the use of the property benefitting the local community.
- 6.4 The Group's strategy is to challenge social exclusion, encourage participation, support life-long learning and develop community ownership, with a view to the community centre becoming a self-sustaining business to benefit the local people.

## **7. Financial Implications**

- 7.1 Under reports previously submitted and approved by Cabinet, Asset Disposal Programme (2013-2018) ref Cab.12.03.2014.13 and Community Asset Transfer Policy ref Cab.30.1.2013/6.3, these reports stated that any property leased out by the Council should be at a market rent, unless otherwise specifically agreed by Cabinet, and that in the case of offering a property for rent or lease at a lower market value, the anticipated socio-economic benefits are taken into consideration.
- 7.2 This report sets out to grant a lease for twenty five years, allowing the Milton Hall Group to continue to run the facility, which they have been doing for almost 20-years and without putting its future in jeopardy should the lease not be granted.
- 7.3 Under the terms of the lease the Milton Hall Group will continue to be responsible for all future repairs, maintenance and insurances of the property. In addition they will pick up all other outgoings and utility costs for the property. Such costs would have to be picked up by the Council should the new lease not be granted and the running of the Centre fall back to the Council.

- 7.4 The proposal to award the lease at a nominal rent ensures the best use of the asset and will have significant benefits to the local community as outlined within Section 6 of this report.
- 7.5 The Milton Hall Group will pay the Councils reasonable legal and surveyors fees in respect of the lease.
- 7.6 There are no undue VAT implications arising for the Council as a result of the proposed lease to the Milton Hall Group.
- 7.7 For the purpose of IFRS the lease will be classified as an operating lease.

## **8. Employee Implications**

- 8.1 There are no issues arising as a result of this report.

## **9. Communications Implications**

- 9.1 The Milton Hall Group will continue to carry out consultation on their proposals for the property in line with their business plan, in order to continue and expand the use of the facilities and the range of services on offer.
- 9.2 The Milton Hall Group has highlighted the fact that there is a need for a marketing strategy in order to attract more local customers and new business to use the community centre. Doing this should raise the profile of the centre and hopefully attract more bookings so that the centre is used to its full potential.

## **10. Consultations**

- 10.1 A list of stakeholders consulted during the preparation of this report includes:

Legal Services - Conveyancing  
Finance

- 10.2 Local Ward Members are aware of the scheme and support the proposal.

## **11. The Corporate Plan And The Council's Performance Management Framework**

- 11.1 The Business Plan produced by the Milton Hall Group appears to demonstrate that there is a need for the premises to be retained for community purposes. The continuing development, consolidation and expansion of the existing community facility play a key role in the achievement of the priorities contained in the corporate plan and performance management framework.
- 11.2 There is a strong alignment to building strong and resilient communities. The ultimate aim is for residents to have the skills and knowledge to take responsibility and develop their own solutions through the Milton Hall Group.

## **12. Promoting Equality and Diversity and Social Inclusion**

12.1 The granting of a lease to the Milton Hall Group will keep the existing facility in use and within the heart of the community for the benefit of the local community and the Borough as a whole.

12.2 The continuation and expansion of the existing centre will retain the facility to be used by all age groups and interests. The centre will continue to be run to consistently support and attract those experiencing or at risk of social and/or economic exclusion. The priority groups identified in their draft Business Plan are as follows: -

- Teenage parents
- Families with young children
- Older people
- Carers
- People with disability
- Those on low income
- People experiencing “worklessness”
- Those most marginalised from paid employment
- Local ethnic minorities and immigrants
- People with low-skill levels

## **13. Tackling The Impact Of Poverty**

13.1 The continued expansion of the services provided at the community hall will assist in bringing people back into work and bring them out of poverty.

## **14. Tackling Health Inequalities**

14.1 The continuation and expansion of the existing community facility will provide a source of advice and information about many issues that impact on the wider determinants of health including employment, healthy eating and encouraging and supporting community involvement.

## **15. Reduction of Crime and Disorder**

15.1 In investigating the options set out in this report, the Council’s duties under Section 17 of the Crime and Disorder Act 1998 have been considered.

15.2 Vacant or under used buildings and land can attract vandalism and unauthorised uses such as fly tipping, substance abuse and other anti-social behavior. Therefore the proposed transfer will keep the property in use thereby helping to prevent such problems.

## **16. Risk Management Considerations**

- 16.1 The granting of a lease to the Milton Hall Group will see a continuation and potential expansion of the community facility that they have been managing for a number of years, keeping the asset at the heart of the community and in a productive use for the benefit of the community.
- 16.2 The inclusion of the landlord and a tenant break clauses will ensure that the Group are not entering in a new agreement, which is too onerous on their part and allow them to break the lease should operating the community facility cease to be a viable proposition. On the other hand it will give the Council the opportunity to terminate the lease should the Group fail to operate the facility in accordance with the terms of the lease. In addition the keep open for community purposes clause will also ensure that the building is used for community purposes and ensure that the Council is not in breach of the user restriction on the property.
- 16.3 Granting the new lease will formalise the continued occupation of the property by the Milton Hall Group. This will mean that the property will continue to operate as a much needed community facility, thereby ensuring that the Council is not in breach of covenant or necessitating the Council having to run this facility, as there is insufficient budget to do this.

## **17. Health, Safety And Emergency Resilience Issues**

- 17.1 The proposal to lease the property will be carried out giving full consideration to current Health and Safety Legislation.

## **18. Compatibility with European Convention on Human Rights**

- 18.1 This report recognises the promotion and importance of equality, diversity and human rights for all members of the local community and the wider Borough.

## **19. Conservation of Biodiversity**

- 19.1 There are no issues arising as a result of this report.

## **20. Glossary**

- 20.1 IFRS – International Financial Reporting Standards

## **21. List of Appendices**

- 21.1 Appendix B – Site Plan

## **22. Background Papers**

- 22.1 Correspondence regarding this matter is held on the files in Asset Management – not available for inspection contains exempt information

Office Contact: Tim Hartley

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Date: 4<sup>th</sup> August 2017

Financial Implications/

Consultation

A handwritten signature in black ink, appearing to read 'T. Hartley', is written over the word 'Consultation'.

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*(to be signed by senior Financial Services Officer  
where no financial implications*