

**MATHIESEN YOUTH CENTRE: TRANSFER OF THE FREEHOLD OWNERSHIP TO MATHIESEN CENTRE TRUST**

Responsible Cabinet Member: Councillor E Gifford, Cabinet member for Community Services

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**Executive Summary:**

It is proposed that Mathiesen Youth Centre (**as outlined in Annex A**) is transferred to Mathiesen Centre Trust under the Council's Community Asset Transfer Toolkit and Programme. This future arrangement will, under the leadership of Mathiesen Centre Trust continue to provide improved high quality provision of various leisure and community activities for the people of Stantonbury and the wider Milton Keynes into the future.

**1. Recommendation(s)**

That the freehold ownership of Mathiesen Youth Centre be transferred to Mathiesen Centre Trust, on the basis of the agreed Heads of Terms.

**2. Issues**

Background

The Community Asset Transfer (CAT) programme was considered by Cabinet in January 2012 and following a pilot scheme was subject to review by the Housing and Communities Select Committee (July 2012, April and October 2013) and approved by Delegated Decision on 31st July 2012. The CAT programme is part of Cluster 7 MKC Land and Property Major Projects and Programmes and has as an objective of:

'enabling local community partners to take more responsibility for local assets and wishes to empower these new arrangements with those organisations that may be best-placed to achieve this.'

The Two Stage Application Review

2.1 The Toolkit: 'Milton Keynes Council's Approach to Community Asset Transfer', (adopted by Cabinet in July 2012) was applied to this asset. Applications from both Glorious Revival Church (GRC) and the Mathiesen Centre Trust (MCT) have been reviewed in detail at an overall and individual criteria level by CAT Project Board members to provide the Cabinet with robust and evidenced comment in relation to the following Stage Two application criteria:

- Relevant experience (credentials of the organisation, governance)
- Managing the asset (facility maintenance & development)

- Marketing the asset (advertising plans to generate community interest)
- Financial viability (projections for next 3 years, budget management)
- Risk assessment (mitigating risks)

2.2 In addition to this report, the CAT Project Board application reviewed the outcomes which are presented as an Officer Assessment report and is available to view as a background paper.

Officers have allocated three marks to each criteria and were weighted in accordance with the Council evaluation template as set out in the Stage 2 application form:

### Scoring Matrix

0	Response does not meet criteria and/or is unacceptable
1	Response partially meets requirements but contains material weakness, issues or omissions and/or is inconsistent
2	Response fit for purpose. Good in many respects. No significant weaknesses, issues or omissions
3	Response meets criteria to exceptional standard. Robust and detailed in all material respects. Minimal omissions

### 2.3 Summary of Assessment Scores

The table below summarises the scores for each of the submitted proposals. Both of the submissions scored highly and there are no areas in which either of the proposals failed to meet the minimum criteria.

Criteria	Marks allocated	GRC	MCT
Overview / Summary	2	1	2
Experience	3	2	3
Managing Asset	3	2	3
Marketing	1	1	1
Financial viability	3	2	2
Risk Assessment	3	2	2
Total Marks Available	15	10	13

- 2.4 Both of the submissions satisfy the CAT Stage Two assessment criteria and should deliver the range of benefits sought by the CAT programme. Overall the proposal from MCT scores higher than the submission from GRC and is considered to be a more attractive proposition as a result of the following factors:
- A more robust track record in facility management experience
  - A stronger operational, maintenance and development proposal
- 2.5 The primary purpose of Mathiesen Youth Centre is to provide activities for the community, (and can also be used as a Polling Station for electoral purposes). The asset transfer will impose covenants or restrictions on use and if these are breached the Council could seek an injunction to prevent the unauthorised use, and can call for a payment of money based on any increase in value arising from the change of use. If claw-back is not paid, the Council will have a right to acquire the property for £1.
- 2.6 It is proposed to transfer the site, for the sum of £1, subject to 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-oriented purposes. 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 2003 mentioned below, which allows for such a disposal where it benefits the economic, social or environmental wellbeing where the undervalue is up to a maximum of £2 million. Mathiesen Youth Centre has been valued at less than £2 million.
- 2.7 Controls would be centred upon general property-related restrictions and claw back based upon facility use. There would be a restrictive covenant not to use Mathiesen Youth Centre for commercial purposes except ancillary to the overall current use of the facility, and that if the facility is left vacant for more than one year or sold or leased to another organisation without the Council's permission, the Council may take it back.

### **3 Options**

The alternative option would be for the Council, as freehold owner, to continue taking landlord-related responsibility for Mathiesen Youth Centre its liabilities and relevant 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.

## 4.2 Resources and Risk

With the freehold transfer taking place the Council's landlord responsibilities would fall away resulting in a saving of £3,010 in revenue costs in 2014/15 as highlighted in the Council's Budget and Medium Term Financial Plan.

Mathiesen Centre Trust would take full responsibility for the asset, its liabilities and relevant capital investment into the future.

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 Mathiesen Centre would provide a service for a variety of groups, both young and old, 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.

Transfers at undervalue would potentially contravene State Aid regulations, which means they would be unlawful. The Council's legal department advises this transfer does not contravene State aid.

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 where the transfer will further the well being of the residents of Milton Keynes

## 4.5 Other Implications

This asset has been looked at in light of the existing Community and Cultural Services Review. The Council has with this transfer, the ability for continued delivery of some of the Council's services from this building post transfer.

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 Mathieson Youth 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:** Officer Assessment Reports for Mathieson Centre Trust and Glorious Revival Church (available on request)

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