

Cabinet – 12 December 2012

Grant of Lease – Former Oak Park Depot Site, Brownhills Road, Walsall Wood

Portfolio: Councillor A Andrew – Regeneration

Related Portfolio: Councillor R Andrew – Children’s services

Service: Property Services – Asset Management

Wards: Aldridge North and Walsall Wood

Key decision: No

Forward plan: Yes

1. Summary

- 1.1 This report proposes that the Council grants a ninety nine year lease of the former Oak Park Depot site in Brownhills Road, Walsall Wood to 38th Walsall (1st Walsall Wood) Scout Group. A Cabinet decision is required because the proposed lease will run for more than twenty one years and the proposed disposal is at less than best consideration. The grant of a long lease will enable the group to apply for external funding for the construction a new scout headquarters on the site.
- 1.2 It is proposed that a lease is granted at a peppercorn rent without payment of a capital premium. This means that the Council will forego a potential capital receipt for the site estimated at £80,000. The Group’s preference was for a freehold acquisition but a long lease has been offered because of the control it gives the Council over the future use of the site, the prime objective being to ensure that it remains of benefit to the local community. In the event that the group ceases to function the Council will be able to terminate the lease and regain possession of the site.
- 1.3 Asset management officers are satisfied that the benefits to the community arising from the proposed development are sufficient to justify waiving the capital premium and granting the new lease at a peppercorn rent. Provision of the site is the Council’s contribution to the provision of the new building. The gift will demonstrate the Council’s commitment to the project and provide the Group’s with a tangible asset that can be used to secure external capital grants. The group will meet all construction costs and future building maintenance and running costs.
- 1.4 The proposed transaction promotes efficient asset management by bringing underutilised land into beneficial use and enabling the provision of a new purpose built community facility at minimal cost to the Council.

2. Recommendations

- 2.1 That the grant of a ninety nine year lease of the land edged red on plan number EPMS 3147 to the Scout Association Trust Corporation as holding trustees for the 38th Walsall (1st Walsall Wood) Scout Group be approved.
- 2.2 That the rent payable be fixed at a peppercorn per annum
- 2.3 That the other terms of the lease are as set out in the paragraph 3.4

3. Report detail

- 3.1 38th Walsall (1st Walsall Wood) Scout Group has been running for 46 years. It is a registered charity in its own right and is also part of the UK Scout Association. The Group is operated by an executive committee of twelve members with twenty five adult volunteers in total. The Group currently meets at Shire Oak Academy on Tuesday evenings with around sixty five young people of both sexes attending. Young people are drawn from Walsall Wood and the surrounding areas of Clayhanger, Brownhills, Aldridge, Shelfield and Rushall.
- 3.2 The Group aspires to its own headquarters. This would bring a number of benefits:
 - Flexibility to spread Group meetings across the week. Currently, due to cost and restrictions on availability, all meetings have to take place consecutively on one evening. This restricts the length of meetings and the activities that can be offered
 - Increased capacity. Where the numbers of young people wishing to join a section exceeds the maximum number permitted by the Scout Association additional sessions will be offered
 - Centralised storage of equipment that is currently dispersed in a number of locations. Saving of volunteer time retrieving equipment, reduced insurance costs
 - Convenient on-site storage of Group vehicles (minibus and equipment van)

Overall the proposal would allow the Group to be more efficient in its use of volunteer time and its resources. It is hoped that the Group's membership would increase as a result of providing an increased number and higher quality programme of activities.

- 3.3 The Group's objective is to provide a high quality centre, to be used primarily by young people but also open to the wider community. Discussions have taken place with community groups who may be interested in regular hire. These have included three guide groups and a martial arts club.
- 3.3 The Group has identified the former Oak Park Depot site as suitable for its needs, The site is close to the centre of Walsall Wood with good transport links. It is adjacent to open space encouraging users to participate in sport and outdoor recreation. Other sites have been considered including the former St Johns School building and site of the old Walsall Wood library. However the Group does not have the capital to compete with other higher value uses for these sites. By contrast the former Oak Park Depot site is designated as Urban Open Space.

Its use for the provision of a community facility that enhances Oak Park is likely to be acceptable, whereas residential development would not.

- 3.4 The site extends to 0.16 hectare (0.4 acre). If it were not designated Urban Open Space the site would have a value for residential development of approx. £240,000. Taking into account the constraints on development and the conditions that will be imposed by the lease the Restricted Value of the site is approx. £80,000. However this assumes the existence of a community group with the capital resources to make that bid. In reality groups are more likely to seek the Council's support for their projects by a community asset transfer at a greatly reduced or nil value. 38th Walsall (1st Walsall Wood) Scout Group has a fund raising target of more than £600,000 for the proposed building. The Group has not budgeted for any land acquisition cost and would not be able to pay a capital premium on the grant of a lease. A ground rent could be considered but this would be relatively low and comparatively expensive to administer. It is therefore proposed that a lease is granted at a peppercorn rent. This concession would be the Council's contribution to the provision of the new building.

4. Council priorities

Within the Children and Young People's Plan, 38th Walsall (1st Walsall Wood) Scouts can contribute towards the achievement of the Council's priorities by:

1. Engaging young people in positive activities
2. Encouraging participation in the normal scouting physical and outdoor activities reducing childhood obesity leading to healthier adult lifestyles
3. Through scouting activities young people will be assisted to improve their ability to attain higher levels in key stages 4 & 5, which can lead to more children achieving 5 GCSEs and more young people achieving A levels.
4. The experience of scouting will encourage more people to engage in education, employment or training. Also, more young people are engaged in positive activities throughout each section of the group, which, with training prepares them to become leaders in junior sections.

5. Risk management

All community organisations rely on fund raising and the efforts of their volunteers. The grant of this lease will provide sufficient security of tenure to enable the group to apply for capital funding.

To manage the risk of the project not proceeding an agreement for lease (conditional on planning permission and finance) with a long stop date two years from its completion will be granted.

The grant of a lease is recommended in preference to a freehold disposal as it enables the Council to retain a degree of control over the future use and management of the site. The lease will be capable of early determination should the Group be wound up or become insolvent.

6. Financial implications

By entering into the proposed lease the Council will forego any potential for a capital receipt for the site. The opportunity cost of this cannot be fully assessed in advance of a planning decision on the site but if community use is assumed an estimated receipt of £80,000 will be foregone.

7. Legal implications

An Agreement for Development and Lease will need to be negotiated and completed. On Practical Completion of the development the Lease attached to the Agreement will be completed.

8. Property implications

The grant of a lease will have no strategic property implications. The Head of Leisure and Community Health has confirmed that the site is not required for any future expansion/development of the leisure facilities at Oak Park. No other Council use has been identified for it.

9. Staffing implications

The lease negotiations have been undertaken by Asset Management using existing staff resources as will completion of the appropriate legal documentation by Legal Services.

10. Equality implications

The group is governed by the Scout Association's Policy, Organisation and Rules. The Association is committed to equality of opportunity for all young people.

The decision to grant a lease will enable the enhancement of an existing service provided by a third party. Because the service is not Council provided the completion of an equalities impact assessment is not required.

11. Consultation

The Ward Councillors for Aldridge North and Walsall Wood have been consulted on the proposal. No adverse comments have been received.

The proposal has the support of Integrated Young People's Support Services – Positive Activities. The local youth workers have already worked with the scouts to support their case and will be working with them to support them where appropriate and possible in securing the funding.

Background papers

None

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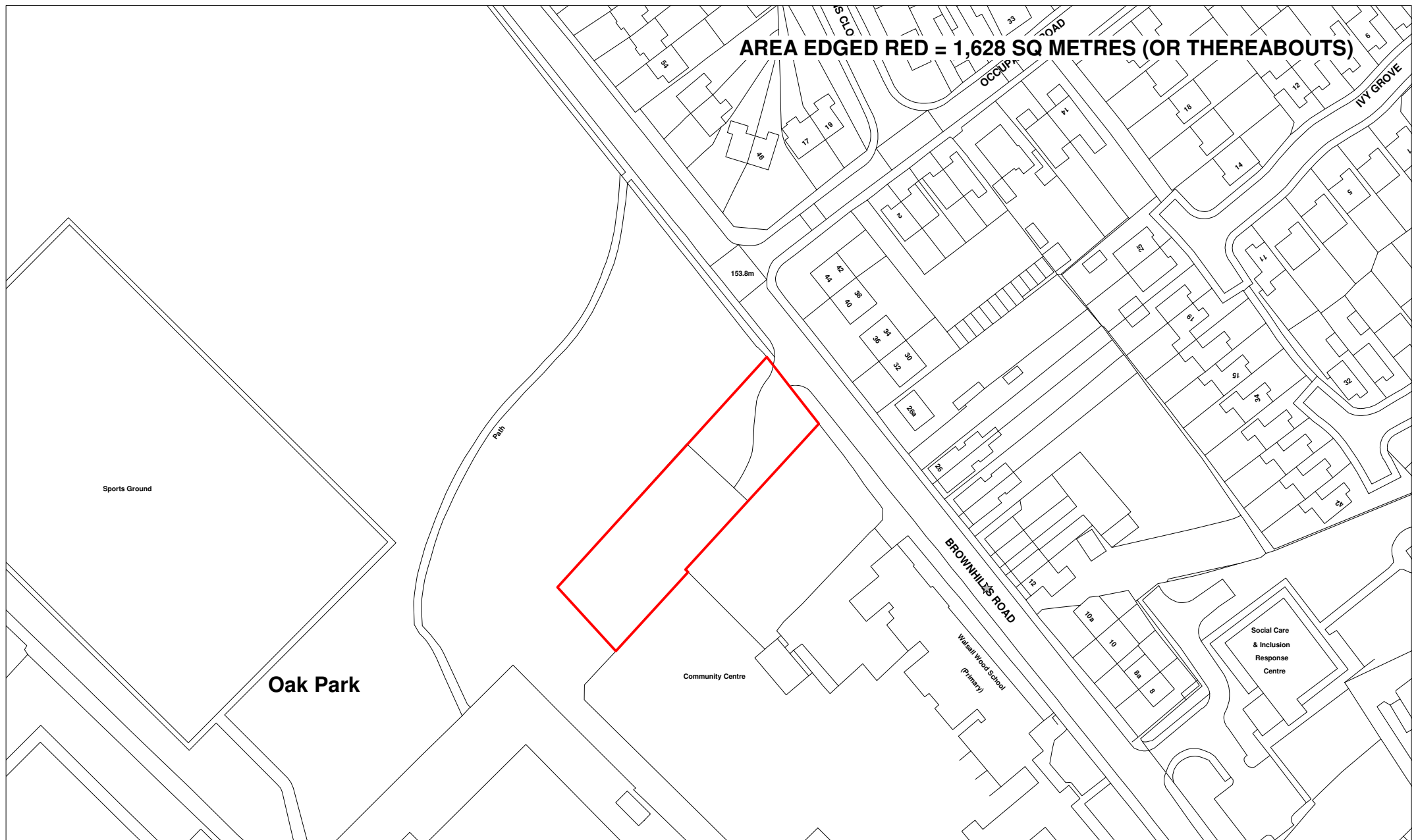
12 December 2012



Councillor A Andrew
Deputy Leader
Regeneration : Portfolio holder

12 December 2012

AREA EDGED RED = 1,628 SQ METRES (OR THEREABOUTS)



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SITE ADDRESS:
Former Oak Park Depot site
Brownhills Road, Walsall Wood

DRAWING NO : EPMS 3147
DATE : 29/10/2012
DRAWN BY : SSP



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