

Report title	Community Asset Transfer – Burdett House	
Decision designation	AMBER	
Cabinet member with lead responsibility	Councillor Jacqueline Sweetman City Assets and Housing	
Key decision	Yes	
In forward plan	Yes	
Wards affected	St Peters	
Accountable Director	Mark Taylor, Deputy Chief Executive	
Originating service	Assets	
Accountable employee	Luke Dove Tel Email	Strategic Asset Manager, Assets 01902 557121 Luke.Dove@wolverhampton.gov.uk
Report to be/has been considered by	City Assets Leadership Team 13 January 2021	

Recommendations for decision:

The Cabinet (Resources) Panel is recommended to:

1. Approve the Community Asset Transfer of Burdett House, 29-30 Cleveland Street, WV1 3HT to Access to Business for a term of 35 years subject to terms.
2. Delegate authority to the Cabinet Member for Resources in consultation with the Deputy Chief Executive to approve the terms of the Community Asset Transfer and lease.

1.0 Purpose

- 1.1 To propose that Burdett House be leased to Access to Business on a 35-year lease on the basis of a Community Asset Transfer.

2.0 Background

- 2.1 In November 2020 Cabinet agreed the revised Community Asset Transfer (CAT) Strategy in relation to all property transactions between the Council and Voluntary and Community Organisations (VCOs).
- 2.2 The CAT Strategy aims to achieve a fair and transparent process for asset transfer between the City of Wolverhampton Council and local community groups. The Strategy assists communities to measure their state of preparedness in taking on greater management responsibility of assets. This Strategy reflects recent experience with the Voluntary Sector to make it more responsive to the needs of the Sector and also risk manage the Landlord position of the Council should a charity have difficulties in sourcing grant funding during the early stages of its development.
- 2.3 Community Asset Transfers are essentially the transfer of public land to a community organisation (such as a Development Trust, a Community Interest Company or a social enterprise) for less than market value – to achieve a local social, economic or environmental benefit.
- 2.4 Burdett House is a three-storey, end of terrace property located on Cleveland Street having previously been of mixed use including both office and retail.
- 2.5 The asset has previously been vacated and with no future operational requirement identified for the Council, earmarked for demolition. The cost of demolition has an approved budget of £315,000.
- 2.6 The asset is being managed currently as a void property.
- 2.7 The property requires a significant capital investment to bring back to a lettable standard estimated at £250,000 - £300,000.

3.0 Access to Business

- 3.1 Access to Business is a registered charity based in Wolverhampton providing professional services supporting local people into employment and self-employment and also offering accredited and non-accredited training courses and office services for local businesses.
- 3.2 The governance of Access to Business is overseen by a Board of Trustees. The Board is comprised of eight directors with board meetings being undertaken on a quarterly basis, and more frequently when necessary. The Finance and Human Resources Sub Committee includes four directors whilst management responsibility of the organisation rests with the Management Team which consists of the Chief Executive along with the Operations Manager and Business, Finance and Compliance Manager.

- 3.3 Having initially begun with three staff members operating from a small property located in Temple Street and supporting 100 beneficiaries each year, demand for Access to Business has greatly increased. This enabled them to relocate to a new City Centre base and during recent years following further demand, have expanded further and now operate 22 staff members from three locations. This has allowed Access to Business to offer additional services for residents from a number of outreach locations supporting in excess of 1500 unemployed local people each year.
- 3.4 Additionally, Access to Business have delivered multiple projects in partnership with other providers both as project lead and sub-contractor having robust financial and monitoring systems and vast experience of overseeing financial and performance management. This has included being Lead Partner and Accountable Body on a £1.2 million European Regional Development Fund (ERDF) Enterprise Contract, and they currently raise in excess of £700,000 each year to support the Council's Employment, Skills and Enterprise agenda.

4.0 Proposed Development

- 4.1 Access to Business are proposing to develop Burdett House into a Wolverhampton Social Enterprise Centre working in partnership with other local voluntary organisations and statutory partners to provide a 'one stop shop' for local residents to support their personal development, health and wellbeing, skills and support into work and self-employment.
- 4.2 Following consideration of the business case as received from Access to Business, it provides a robust structure both operationally and financially that would ensure the property is correctly maintained in future and provides a valuable asset within the community that would bring excellent benefits to the local economy.
- 4.3 Access to Business is a member of the Council led 'Cross Sector Forum' partnership working with other local voluntary sector partners to develop closer working relationships and joined up working. Members of the Forum have formed a "Social Enterprise Centre working group" to undertake the initial planning, development and costings of the new Centre. Members of the working group includes longstanding and successful local voluntary organisations that all have experience of developing large scale projects, including:
- Wolverhampton City Council
 - Access to Business
 - TLC
 - YMCA
 - BME United
 - Beacon Centre
 - Wolverhampton Central Youth Theatre

- 4.4 The Wolverhampton Social Enterprise Centre will support the development of new Social Enterprises in Wolverhampton to help to increase business growth and reduce unemployment and provide training and work experience for unemployed people.
- 4.5 Access to Business will relocate its current services to the new Social Enterprise Centre allowing them to sell or rent out their existing premises to generate income towards the development and refurbishment of the new Social Enterprise Centre.
- 4.6 Working with partners Access to Business will also develop a fundraising plan to fund building refurbishment and seek sponsorship. The new Centre will also house local partners that will contribute to the development and running costs of the building and in addition, Access to Business and its partners will secure additional income through services operated in the building including:
- Offering competitively priced 'back-office' services to support local small and medium sized enterprises (SME's) and retailer business growth
 - Commercial Training
 - Room Hire/Rental Units/Shop Frontage
 - Community Café
 - Business address services
 - Business directory
 - Access to IT equipment /WIFI / Conferencing facilities
 - Costume Hire (Partner led contribution)
 - Computer support/repair services
 - Advice and support to increase the social value of clients' businesses.
 - Recruitment/selection service for local retailers / SME's
- 4.7 Access to Business will oversee the management of the property along with the central services and will ensure that the building and all associated Health and Safety regulations and legal requirements are adhered to at all times.
- 4.8 To allow Access to Business opportunity to successfully secure grant funding and corporate sponsorship and to support delivery of their community involvement, a long lease would be required with a minimum term of 35 years at nil consideration.

5.0 Benefits of Proposed Community Asset Transfer

- 5.1 The proposed CAT and development of Burdett House will offer a 'one stop shop' in a central location for all local voluntary sector organisations and strategic partners to work together to deliver services through increased partnership working and reducing the need for residents to be directed to a number of separate providers.
- 5.2 It will support the development of Social Enterprises and Start-ups through providing hot-desking facilities and communal working space.
- 5.3 It will assist in increasing the number of local people gaining employment and starting businesses to support the regeneration of local economy.

- 5.4 It will assist in increasing volunteering and work placement opportunities with the focus on disadvantaged unemployed people to support the development of their employability skills and through community engagement.
- 5.5 Access to Business has Disability Confident Lead accreditation and will ensure full accessibility for the new Social Enterprise centre where they will also be able to provide support to other organisations in achieving Disability Confident status.
- 5.6 A new Wolverhampton Social Enterprise Centre will also assist in:
- Bringing more people into the City Centre to assist with the local economy regeneration
 - Increase numbers moving into employment
 - Increase number of business start-ups
 - Provide 'back-office-services' for local retailers / SME's to reduce their operational costs making Wolverhampton an attractive offer for businesses
 - Support the promotion of and provide an opportunity to deliver additional Council services
 - Helping to re-invigorate the city centre by developing a vibrant modern location for business and enterprise development.

6.0 Supporting Delivery of the Strategic Asset Plan

- 6.1 Corporate Landlord have developed a Strategic Asset Plan that was completed and approved by Cabinet on 17 October 2018. This provides the structure and management of the Council's land and property portfolio over following five years, to 2023, and incorporates the Our Assets principle. The plan is structured into three parts:
- Asset Management Policy
 - Asset Management Strategy
 - Asset Management Action Plan
- 6.2 The Asset Management Policy establishes a clear mission with supporting principles for the management of land and buildings, ensuring it is fit for purpose and benefits the people of the City of Wolverhampton and to use land and buildings following rationalisation and disposal of land and buildings, that will enable a financial return to stimulate development and growth, support and encourage local businesses and promote joint-working.
- 6.3 The transfer of Burdett House supports the policy as outlined and in particular delivery of items A3, A5 and A9 of the Action Plan.

7.0 Evaluation of alternative options

- 7.1 Should the Community Asset Transfer not be approved Access to Business will not have a long-term solution for the development of the Social Enterprise as proposed

- 7.2 The Council could proceed with the proposed demolition of Burdett House, if the original option as presented by the Council's City Development Team were to be agreed. Whilst there is an existing approved budget in the Council's capital programme and would provide a cleared site, the Council would continue to incur holding costs until regeneration plans can be developed.
- 7.3 If the asset was retained as a void property, further revenue costs would be incurred by the Council including void rates, security, insurance and statutory compliance costs. In addition, vacant buildings continue to attract negative public comments and their condition will continue to deteriorate further.
- 7.4 The buildings could be retained and disposed of on a leasehold basis. This option would generate a revenue income stream but no capital receipt. There would however be significant costs associated with bringing the properties up to a marketable standard which comply with statutory requirements.
- 7.5 The assets could be retained for operational use; however, they have remained on the void property list for some time without any internal operational use being identified.
- 7.6 The asset could be declared surplus and disposed of in return for a capital receipt with a market valuation of £275,000.

8.0 Reasons for decision

- 8.1 Should authority be given to transfer the asset, revenue efficiencies will be made through reduction in the annual running costs and maintenance spend.
- 8.2 The transfer of the asset provides Access to Business with the opportunity to bring the building back into beneficial use thereby improving the local community and environment.
- 8.3 The capital budget of £315,000 assigned to the demolition of Burdett House could be released or reallocated to support the other appropriate regeneration schemes subject to necessary approvals.

9.0 Financial implications

- 9.1 The community asset transfer of Burdett House will pass responsibility for maintenance costs, running costs and future investment costs, to Access to Business under a full repairing lease, over a 35-year lease period for nil consideration.
- 9.2 Whilst not generating an annual revenue income stream, the community asset transfer will result in a reduction to revenue expenditure, in the region of £52,000 (£1,500 per annum), in respect of repairs, maintenance, running costs and void management costs currently incurred by the Council, for the 35 year period of the lease. There will also be an additional reduction in costs of £37,000 per annum with regards to business rates.
- 9.3 It is understood that Access to Business will fund the refurbishment of the property and the need for Council investment, in excess of £250,000, in order to bring the property back to a lettable standard has therefore been avoided.

- 9.4 Burdett House was due to be demolished to support wider city regeneration. The capital programme includes an approved allocation of £315,000 for the demolition works. The transfer of Burdett House to Access to Business will release this allocation to support other priority capital investment works, approval to which will be subject of future reports.
- 9.5 Costs capitalised to date in relation to the proposed demolition works are in the region of £3,000. These costs will be transferred to revenue and accommodated within existing Regeneration budgets.
- 9.6 Indicated by the market valuation of the site, the one-off capital receipt value forgone as a result of not declaring the asset surplus and its subsequent disposal is in the region of £275,000.
[TT/26012021/Y]

10.0 Legal implications

- 10.1 The terms of the lease must comply with S.123 Local Government Act 1972 which states that local authorities are obliged to obtain the best consideration reasonably available unless Secretary of State consent has been given. There is a general consent that allows disposals at an undervalue provided that the undervalue is for a sum of less than £2.0 million and promotes that social, economic or environmental wellbeing of the area. Leases for a term of more than seven years are deemed to be a disposal.
- 10.2 This disposal will therefore need to be at an undervalue of less than £2.0 million and promote the economic, social or environmental wellbeing of the area.
[DC/03022021/J]

11.0 Equalities implications

- 11.1 All development plans will consider and meet the needs of all people within the local community and an all-inclusive approach will be taken by the Council.

12.0 All other implications

- 12.1 The approval of a Community Asset Transfer of the asset listed in this report will prevent it falling into further disrepair and avoid anti-social behaviour.
- 12.2 The Community Asset Transfer will allow Corporate Landlord to prioritise and target expenditure on operational assets that require investment resulting in a reduced maintenance backlog liability for the Council and ensuring assets remain compliant with all relevant legislation.
- 12.3 Transfer of this property will reduce the quantity of void stock requiring management and assist with the regeneration within a prominent City gateway location.
- 12.4 The transfer of the asset will provide an inclusive and positive impact on health and wellbeing within the local community.

13.0 Schedule of Background Papers

13.1 [Strategic Asset Plan 2018-2023](#) – Report to Cabinet on 17 October 2018 including:

- Asset Management Policy 2018-2023
- Asset Management Strategy 2018-2023
- Asset Management Action Plan

14.0 Appendices

14.1 Appendix 1 – Burdett House Location Plan