

ABERDEEN CITY COUNCIL

COMMITTEE	Finance and Resources
DATE	5 November 2024
EXEMPT	No but Appendix 1 considered <i>to be exempt under <u>Local Government (Scotland) Act 1973 paragraphs 4 & 6</u></i>
CONFIDENTIAL	No
REPORT TITLE	Asset Transfer Request for Torry Youth & Leisure Centre
REPORT NUMBER	F&C/24/308
EXECUTIVE DIRECTOR	Eleanor Sheppard
CHIEF OFFICER	Stephen Booth
REPORT AUTHOR	Cate Armstrong
TERMS OF REFERENCE	4.2

1. PURPOSE OF REPORT

- 1.1 The Purpose of this Report is to advise Committee of the asset transfer request received for the Torry Youth & Leisure Centre.

2. RECOMMENDATIONS

That the Committee:-

- 2.1 Accept the recommendation as outlined in Appendix 1;
- 2.2 Instruct the Chief Officer – Corporate Landlord to issue a decision letter informing the community group of the outcome of the evaluation process, with the recommended terms and conditions included; and
- 2.3 Instruct Chief Officer – Governance to conclude missives for the transfer of the Torry Youth & Leisure Centre incorporating various qualifications as are necessary to protect the Councils interests.

3. CURRENT SITUATION

- 3.1 The Torry Youth & Leisure Centre was declared surplus to the Council's requirements on 30th May 2023. Previously operated by Sport Aberdeen, it was most recently occupied on a short-term basis as a vaccination centre.
- 3.2 The Torry Youth & Leisure Centre sits on the north side of Oscar Road, adjacent to the Torry Medical Practice. It has a large site of circa 1.62 acres, with ample parking and grounds that have been partially laid to grass and planted with mature shrubs and trees. See Appendix 2 for a location plan.

- 3.3 The accommodation comprises two multipurpose halls with changing areas, a kitchen, office and toilets, extending to 1,253 sq. m. There has been some internal damage to the building following a break-in. Appendix 3 – Floor Plan.
- 3.4 As a Sport and Leisure Centre the property is designated as Use Class 11 – Assembly & Leisure, under the Town and Country Planning Scotland Act; however, it does sit within an area zoned for Residential Use.
- 3.5 The property was internally valued for the 2024 Asset Valuation undertaken for the Accounts, in accordance with the Royal Institute of Chartered Surveyors valuation guidance.
- 3.6 Since the property was renounced from the Sport Aberdeen Licence several groups have shown interest in it but only one asset transfer request has been submitted.
- 3.7 Jesus House Torry Aberdeen, Limited is a Company limited by Guarantee, it was incorporated on 11th May 2023. It is a subsidiary of Jesus House Torry, Aberdeen SC042618. It has been set up specifically to separate the charity's community activities from its religious activities and to take forward the asset transfer request.
- 3.8 The Church run several different groups including a foodbank, Breakfast Club, children's support group, youth club, young adult's support group, men's support group, woman's support group, and support group for pregnant women. If the request is accepted these groups will be relocated from their current base at 45 Glenberrie Road, Torry to the Torry Youth & Leisure Centre, Oscar Road and ran by the Community Body. Currently any operating costs are covered by the Church.
- 3.9 The Community Body will look to expand their initiatives through the development of the building to provide a Coffee Shop, Enterprise Facility, Fitness & Sports Studio, Large multi-purpose event space, Warm Spaces in Winter.
- 3.10 The new initiatives proposed within request application as a result of the relocation to the Torry Youth and Leisure Centre will include a Work Experience Scheme, Exam Support & Tutoring, provision of a Fitness Studio, a Social Enterprise Scheme, and Education & Training Base, more detail of these schemes is provided in the application documents.
- 3.11 The Community Body submitted a business plan following a request from the evaluation panel for further information around how they were going to fund their proposals. This indicates that the community body expects the revenue from the Coffee Shop to be circa £20,000 per month with operating costs of circa £12,000 providing a net profit of £8,000. The development costs to launch the Coffee Shop are estimated to be £80,000 and they expect to achieve profitability within year 1. They have confirmed the pricing strategy for the enterprise will be 5% below market rates. The development costs are noted as being £50,000.

- 3.12 The business plan also notes that the Community Body will set up a creche which will be operated by a third-party accredited childminder. This will bring in revenue of circa £5,000 per month.
- 3.13 The development of a fitness studio is expected to cost in the region of £100,000. The studio would offer a variety of fitness classes and wellness activities and would be leased to a fitness instructor / operator for £1,000 per month.
- 3.14 The Main Hall is to be developed as a Multi-purpose Hall available for rental to local communities, community groups, residents & business at £500 for a half day and £1,000 for full day use. The group note that there is a high demand for affordable event spaces in the local community and they expect to achieve 6 weekday and 4 weekend events monthly. The estimated development costs are circa £200,000, with an estimated annual revenue of £92,000. The Hall will not be available to rent on an hourly basis.
- 3.15 The Community Body has indicated that the Church provided 26,000 Volunteer Hours of support annually from 2008 through to 2023. Their estimated forecast volunteer hours for 2024 forward is 14,000 annually; they have assumed a volunteer hourly rate of £17.00 providing an annual value of £238,000, shown in Table 13.4 of the application documents.
- 3.16 The full application documents requesting an asset transfer are available on the Council's Community Asset Transfer webpage under new requests.
- 3.17 As part of the Community Asset Transfer process all transfer requests must be made available for the local and wider community to view to enable the community to submit their representations regarding the proposed Community Asset Transfer. The Asset Transfer request was publicised at the Greyhope Community Hub with the application documents available to view within the new Library at Greyhope and on the Aberdeen City Council website. Two formal representations supporting the application were received by Aberdeen City Council prior to the closing date for representations to be submitted.
- 3.18 When reviewing the application, the panel are required to assess whether the benefits of the asset transfer request are; greater or less than the benefits of an alternative proposal. An alternative proposal may be another asset transfer, or another proposal made by the Council. In the case of surplus properties such as the Torry Youth & Leisure Centre, disposal on the open market can be considered as an alternative proposal. The price offered for the transfer should also be considered alongside the non-financial benefits. Consideration of what outcomes could be achieved with any profits or savings that might be made, or what impact any financial loss might have, compared with the benefits offered by each of the different community proposals or any alternative proposals.
- 3.19 In assessing the benefits of the transfer request the panel had to consider whether agreeing to it would be likely to promote or improve:
- Economic development

- Regeneration
 - Public health
 - Social wellbeing
 - Environmental wellbeing or
 - Reduce inequalities of outcome which result from socio-economic disadvantage
- 3.20 Consideration is also given to the impact that the request and the proposed services will have on the Council and the services it provides to determine if there will be an overlap with existing services or any positive or negative effect on the Council's Services.
- 3.21 The panel discussed the information supplied by the community transfer body in relation to the corresponding questions within the evaluation assessment and the panel came to a consensus as to the appropriate score to award for each question for the group.
- 3.22 The panel had several questions that they wanted clarification on, therefore a letter requesting further information was issued. Upon receipt of the group's response the panel met again to discuss the information provided but still had questions that they felt remained unanswered. Further information was requested and subsequently the panel also met with members of the community body to discuss their proposals. Following this the group submitted a revised business plan for their project.
- 3.23 The panel then reconvened to discuss proposal again in light of the additional information, and considered whether the request, would provide the greater benefits for the local area and would demonstrate best value for the Council if it were recommended for acceptance.
- 3.24 If the Council believe that the proposed request does not provide best value they can discuss the proposal with the community body and look to agreeing terms that would provide best value for the Council.
- 3.25 If the community group were not in agreement with the amended terms they could submit a request for a review of the decision by the Review Sub Committee.

4. FINANCIAL IMPLICATIONS

- 4.1 The applicant has requested the transfer of ownership for £5,000, this is a significant discount on the noted market value for the property. The Council has an obligation to achieve best value for the disposal of any Council asset, and should adhere to the Disposal of Land by Local Authorities (Scotland) Regulations 2010. The evaluation panel's assessment considered the recommendation outlined in appendix 1 can be considered to demonstrate Best Value.
- 4.2 If this request were to be accepted then the property would no longer be the responsibility of the Council, as ownership of the property would be transferred

to the community group and liability for the holding costs of circa £60,000 would cease.

5. LEGAL IMPLICATIONS

- 5.1 The Council is required to assess the request under terms of the Community Empowerment (Scotland) 2015 Part 5.
- 5.2 The Disposal of Land by Local Authorities (Scotland) Regulations 2010 applies to every disposal of an interest in land by a Local Authority, and requires that the Local Authority fulfil their statutory duty under Best Value as set out in the Local Government in Scotland Act 2003

6. ENVIRONMENTAL IMPLICATIONS

- 6.1 If the request is approved a vacant building will be redeveloped and brought back into use for the benefit of the community.

7. RISK

Category	Risks	Primary Controls/Control Actions to achieve Target Risk Level	*Target Risk Level (L, M or H) *taking into account controls/control actions	*Does Target Risk Level Match Appetite Set?
Strategic Risk	Not Achieving Best Value	The evaluation panel have undertaken an appraisal to allow consideration of how best value could be achieved	M	Yes
Compliance	If the recommendation is not approved the Council could be subject to a request for review and / or an appeal to the Scottish Ministers.	Approve the recommendation for the asset transfer request	M	Yes
Operational	There are risks in relation to staff through the retention of vacant building which would require regular inspection and management.	The risk to staff would be removed if the asset transfer request were to be granted	L	Yes

Financial	<p>1. If responsibility of the asset is retained by the Council; the property's annual holding costs of circa £60,000 would require to be met by the Council until the property could be disposed of.</p> <p>2. Not achieving Best Value</p>	<p>If the asset transfer request is granted the liability for the holding costs will no longer sit with the Council.</p> <p>Approve the recommendation made by the panel</p>	L	Yes
Reputational	If the property remains vacant, it will be subject to vandalism and suffer further deterioration / damage causing reputational damage to the Council.	If the asset transfer is granted the Council will no longer have liability for the asset.	L	Yes
Environment / Climate	No significant risks identified			

8. OUTCOMES

Council Delivery Plan 2024	
	Impact of Report
<p>Aberdeen City Council Policy Statement</p> <p><u>Working in Partnership for Aberdeen</u></p>	<p><i>The Community Body currently provides services that have a positive impact on the Council Delivery Plan. If they are able to expand their capacity and provide additional services then this can have a further positive impact.</i></p>
<p><u>Local Outcome Improvement Plan</u></p>	
<p>Prosperous Economy Stretch Outcomes</p>	<p>If the Community body are successful in their proposal the centre will have a positive impact on the economy within the area.</p>

Prosperous People Stretch Outcomes	<p>If the proposals within this report can be successfully delivered to families within Torry this will support a number of the improvement projects within the LOIP :</p> <ul style="list-style-type: none"> • Stretch outcome 6.1; By improving pathways to education, employment and training for all our children. • Stretch outcome 11.1; Supporting vulnerable and disadvantaged people, families and groups. • Stretch outcome 11.2; Provide individuals and communities with the social resources needed to reduce feelings of loneliness and social isolation.

9. IMPACT ASSESSMENTS

Assessment	Outcome
Integrated Impact Assessment	Yes
Data Protection Impact Assessment	Not Required
Other	None

10. BACKGROUND PAPERS

- 10.1 Application documents available at <https://www.aberdeencity.gov.uk/services/people-and-communities/community-asset-transfer/torry-youth-and-leisure-centre>

11. APPENDICES

- 11.1 Appendix 1 – Summary Tender
Appendix 2 - Location Plan
Appendix 3 – Floor Plan

12. REPORT AUTHOR CONTACT DETAILS

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