

REPORT TO KINCARDINE AND MEARNS AREA COMMITTEE – 12 DECEMBER 2023

ASSET TRANSFER REQUEST – FORMER SEA CADET BUILDING, HIGH STREET, STONEHAVEN

1 Executive Summary/Recommendations

1.1 An Asset Transfer request has been received for a 30-year lease of the former Sea Cadet building, High Street, Stonehaven. The request has been considered by the Kincardine and Mearns Asset Transfer Group and now requires to be determined by the Kincardine and Mearns Area Committee.

1.2 The Committee is recommended to:

1.2.1 Refuse the Asset Transfer request from the Kincardine and Mearns Youth Club for a 30-year lease of the former Sea Cadet building, High Street, Stonehaven for the reasons outlined in section 3.9 of this report; and

1.2.2 Instruct the Area Manager to issue a Decision Notice.

2 Decision Making Route

2.1 Requests for Asset Transfers from community bodies are governed by the provisions of the [Community Empowerment \(Scotland\) Act 2015](#). Community bodies can request ownership, lease or other rights, as they wish. The Act requires local authorities to assess requests transparently against a specified list of criteria and to agree the request unless there are reasonable grounds for refusal.

2.2 As required by Section B.9.2.6 of the List of Committee Powers in the Scheme of Governance, the Area Committee is required to determine the granting of the transfer of an asset to a community group and the terms and conditions of that transfer. This report seeks the refusal of the Kincardine and Mearns Area Committee to the transfer of the former Sea Cadet building on the High Street in Stonehaven to the Kincardine and Mearns Youth Club.

2.3 The determination of an Asset Transfer Request is a quasi-judicial matter. Therefore, Members must have regard to the provisions of Section 7 of the Councillors' Code of Conduct, in particular the duty to ensure a proper and fair hearing of the application.

2.4 The Committee must determine the application presented based on the statutory criteria as set out below and in line with [Aberdeenshire Council's Asset Transfer Policy](#):

- The reasons for the request
- Any other information provided in support of the request

- Whether agreeing to the request would be likely to promote or improve
 - Economic development
 - Regeneration
 - Public health
 - Social wellbeing
 - Environmental wellbeing
- Whether agreeing to the request would be likely to reduce socio-economic inequalities
- Any other benefits that might arise if the request were agreed to,
- How the request relates to the relevant authority's duties under Equalities legislation
- Any obligations that may prevent, restrict or otherwise affect the authority's ability to agree to the request.

3 Discussion

- 3.1 The Council was first approached in March 2021 regarding interest in establishing a youth club in Stonehaven and knowing that the Sea Cadets would shortly be vacating the building which they currently leased, were keen to explore the possibility of taking on the building through an Asset Transfer. Subsequently an Asset Transfer Expression of Interest was received on 8 June 2022 from the Kincardine and Mearns Youth Club (KMYC) requesting a 10-year lease. A meeting was arranged with the community group to fully understand their proposal and provide constructive feedback on their business plan. A formal Asset Transfer application (**Appendix 3**) was then received from KMYC on 26 May 2023 for a 30-year lease.
- 3.2 The former Sea Cadet Hall is a Category C listed building dating back to 1851 when it was built to provide a school for the neighbouring Episcopal Church. It is also located within the Stonehaven Conservation Area. The building was extended in 1897 to form 2 new classrooms. The school remained under the control of the Episcopal Church until 1939 when it was closed, and the building was taken over by the Education Authority. The building was then leased to the Stonehaven Sea Cadet Corps in 1954 and remained under their stewardship until April 2022 when they moved to purpose-built premises closer to the harbour.
- 3.3 Following agreement by the K&M Asset Transfer group that the application met the requirements of the legislation in terms of the information required the application was validated and a letter issued to KMYC on 27 June 2023, notifying them that the Council now had 6 months in which to determine their application. Once an application is validated the local authority are required to put up notices at the site and publish the information online so that members of the public have at least 20 working days in which to make representation. A total of 16 letters of support were received with no objections raised.
- 3.4 The Kincardine and Mearns Youth Club (KMYC) is a registered charity (SC051940) set up to establish youth clubs initially in Stonehaven, Mearns (Laurencekirk) and Portlethen. They aim to assist all locally run youth clubs

with the management and running of their club under the umbrella of the KMYC. The organisation was formed to benefit the community of young people aged between 10 – 25 years of age in the Kincardine and Mearns area, providing recreational facilities and activities with the object of helping young people to thrive, providing a safe haven for them to turn to and in turn making a positive contribution to the local community.

- 3.5 The Stonehaven Youth Club currently lets rooms within the Stonehaven Community Centre on a Friday and Tuesday evening. This limits the number of youngsters that can attend due to the capacity of the rooms, currently between 40 – 55 youngsters attend each week. Storage is also an issue with volunteers carrying games and equipment back and forth each week. Lets can only be booked a session at a time which means they are not guaranteed use of the rooms on a longer term basis. The young people would like a space where they can take ownership and make it their own. This has led them to pursue finding a more suited property for their needs and interest in the former Sea Cadet building.
- 3.6 The former Sea Cadet building comprises a two-storey detached building of traditional stone construction, with a pitched slate roof and single glazed timber framed windows. Currently the only egress (other than the main entrance) is around the rear of the building and through the gardens of the neighbouring properties (block of flats). Previously an agreement was in place to allow the Sea Cadets to have access over this ground for emergency exit. When the Sea Cadets lease was terminated this agreement was also terminated, therefore, to comply with current fire regulations an alternative means of escape from the property would have to be put in place i.e. a new agreement with the neighbouring proprietors. There is no dedicated parking associated with the property and therefore parking will be on nearby streets (See **Appendix 1 – Floor Plans**).
- 3.7 The business plan submitted by KMYC sets out a phased approach to undertake immediate repair works to the building along with plans to upgrade the kitchen and toilets. Longer term there is an ambition to source a more sustainable energy efficient heating solution possibly using solar panels with battery storage. All of these works would be dependent on planning permission or building warrant approval given the listed nature of the building and the conservation area status. Immediate works to make the building fit for purpose have been estimated at a cost of £100,000 with funding applications having been submitted to the UK Shared Prosperity Fund and Community Ownership Fund. The remedial costs have been based on a quote from a contractor and are not based on a full building structural survey, leading to a risk that required works will be greater than anticipated.
- 3.8 The annual running costs for the building have been estimated at £15,365 with an income of £17,200 from grant funding, fundraising events, hall hire and birthday parties. The youth club intends to run on a free at point of entry model to ensure that there is no barrier for any young person wish to attend, albeit recognising this stops a regular income stream.

3.9 The Kincardine and Mearns Asset Transfer group have considered the formal application and business plan and undertook a Cost Benefit Analysis (**Appendix 4**). Officers recognise there are both strengths and areas of concern:

Strengths being:

- 3.9.1 The application will provide a unique facility for young people, allowing the group to shape future services as a result of having a dedicated building.
- 3.9.2 The application will increase capacity for services for young people in Stonehaven and the wider area through the ability to devote space to specific services and as a result of increased storage capacity.
- 3.9.3 There will be additional benefits to the wider community as a result of the availability of the space for the wider community on a rental basis.

Areas of concern being:

- 3.9.4 A high risk that the group will not be able to attract long term capital grant funding due to the inherent accessibility difficulties of the building and the probability that it may not be feasible to make it fully compliant with disability discrimination legislation.
 - 3.9.5 The annual income is reliant on local fundraising activities, grant funding, letting the hall to other community groups and hiring out the facility for birthday parties. Economic Development have raised concerns that the birthday party market in a town the size of Stonehaven could be considered high risk due to its volatility and tendency to be trend driven. An inability to meet target income in this area would significantly reduce projected income.
 - 3.9.6 The costs of running the building are considered to be very low considering the age and design of the building. Officers feel it would be reasonable to assume that there could be significant annual maintenance costs over and above those highlighted.
- 3.10 Taking all of these considerations into account Officers are of the opinion that the building would be more expensive to run than the group anticipate and may simply not be able to be developed in such a way to deliver long term accessible services to young people. The group's enthusiasm and willingness to commit voluntary time and resources to this project are both commendable and a strength, however, it is probable that there will be extra and unplanned for human and financial resources required to deliver the business plan as is. Officers are therefore unable to make a positive recommendation and recommend that this request is refused.

4 Council Priorities, Implications and Risk

4.1 This request may help to deliver the following:

Pillar	Priority
Our People	Health & Wellbeing
Our Environment	Resilient Communities
Our Economy	Infrastructure and public assets

4.2 The table below shows whether risks and implications apply if the recommendation is agreed.

Subject	Yes	No	N/A
Financial	X		
Staffing		X	
Equalities and Fairer Duty Scotland	IIA attached as Appendix 2		
Children and Young People's Rights and Wellbeing	IIA attached as Appendix 2		
Climate Change and Sustainability		X	
Health and Wellbeing	IIA attached as Appendix 2		
Town Centre First	IIA attached as Appendix 2		

4.3 There are no staffing implications arising from this report.

4.4 The property has an estimated market value of £100,000. Therefore, there is a potential capital receipt to the Council if the building was sold on the open market.

4.5 An Integrated Impact Assessment has been carried out as part of the development of the proposals set out above. It is included as **Appendix 2** and has identified a total of 14 positive impacts with 3 negative impacts. Of these negative impacts one can be mitigated but the following impacts have been identified which cannot be fully mitigated as explained:-

Equalities & Fairer Scotland Duty Impact Assessment

The building is old and Category C Listed which does not provide the best facilities for all disabilities. The community group hope to be able to install a stair lift to allow access to the upper floor and longer term look at the possibility of installing a pod lift but the building may never be able to provide adequate access for people with all disabilities.

Town Centre First Impact Assessment

The building has no off-street parking available and there is no scope to create any dedicated parking spaces given the building's siting and location. Users of the building should be encouraged to use active travel means.

4.6 The following Risks have been identified as relevant to this matter on a Corporate Level:

- ACORP001 Budget pressures – there are ongoing maintenance costs associated with this building.
- ACORP005 Working with other organisations – the community group may not deliver on their proposal.

[Corporate Risk Register](#)).

The following Risks have been identified as relevant to this matter on a Strategic Level:

- BSSR006 - Support Community Asset Transfer - [Business Services Directorate Risk Register \(aberdeenshire.gov.uk\)](#).
- ISSR008 – Placemaking – supporting communities to help themselves, enabling wealth building that supports local economic opportunities. [Infrastructure Services Directorate Risks \(aberdeenshire.gov.uk\)](#).

5 Scheme of Governance

- 5.1 The Head of Finance and Monitoring Officer within Business Services have been consulted in the preparation of this report and their comments are incorporated within the report and are satisfied that the report complies with the Scheme of Governance and relevant legislation.
- 5.2 The Committee is able to consider[and take a decision on this item in terms of Section B.9.2.6 of the List of Committee Powers in Part 2A of the Scheme of Governance as it relates to the determination of the granting of a transfer of an asset to a community or voluntary group and the terms and conditions of that transfer.
- 5.3 Where the Committee does not agree with Officers' recommendations or existing Council policy, the Scheme of Governance (Part 2A, Section C.5.2), provides that the decision must be referred to the Business Services Committee for determination.

Alan Wood
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Report prepared by Diane Henderson, Kincardine and Mearns Project Officer and Tim Stephen, Kincardine and Mearns Area Manager.

Date: 24 November 2023

List of Appendices:

Appendix 1 – Sea Cadet Building Floor Plans

Appendix 2 - Integrated Impact Assessment

Appendix 3 – Asset Transfer Application & Supporting Documents

Appendix 4 – Summary of Cost Benefit Analysis