

REPORT TO BUSINESS SERVICES COMMITTEE – 29 FEBRUARY 2024

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

1 Executive Summary/Recommendations

1.1 As required by Section C.5.2.1 of the List of Committee Powers in the Scheme of Governance, the Committee are required to make the final determination of the Asset Transfer Request of the former Sea Cadet Building, Stonehaven as the recommendation from the Kincardine and Mearns Area Committee was contrary to the recommendation of Officers.

1.2 The Committee is recommended to:

1.2.1 Refuse the Asset Transfer Request for the former Sea Cadet Building, Stonehaven; and

1.2.2 Instruct the Area Manager to issue a Decision Notice.

2 Decision Making Route

2.1 A report (**Appendix 1**) was presented to the Kincardine and Mearns Area Committee at its meeting on 12 December 2023 where Councillors agreed to recommend that the Asset Transfer Request submitted by the K&M Youth Club for the former Sea Cadet Building in Stonehaven should be approved. This decision was not in accordance with the recommendation of Officers. Therefore, it was required to be referred to the Business Services Committee for a decision in line with the Council's Scheme of Governance.

2.2 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.

2.3 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 Kincardine and Mearns Committee, at its meeting on 12 December 2023 considered the asset transfer request (**Appendix 2**) by the Kincardine and Mearns Youth Club for the Sea Cadet building and agreed:

*“Following much discussion Committee **did not agree** the Officers recommendation (that the application be refused) at 1.2.1 of the Asset Transfer report and referred the item to Business Services Committee for determination.*

Reason for Decision

Committee agreed that by rejecting the officer recommendation to decline the asset transfer (and by implication supporting the application) it would:

- *Create positive impacts in terms of social wellbeing, through generation of opportunities for young people.*
- *Improve capacity for local groups to hire facilities for community purposes.*
- *Meet some local requirements for children's celebrations, which could be provided on a commercial basis.*

Committee also noted that officers perceived a high degree of risk in terms of the applying group's ability to ensure the project was a success but identified that the fact the group was applying for a 30-year lease which could be terminated early {subject to the agreement of a mutually agreed break clause}, allowing for this risk to be managed.”

3.2 Officers clarified that their concerns about risk related to the following issues:

- The ability of any group to raise the capital funds required to ensure the building was both accessible and fully useable by both the target group and wider community groups as a result of both its design, geography and lack of dedicated secondary access/egress routes, with emergency access routes reliant on agreement from a number of third parties.
- A concern about the group's ability to raise revenue funds, recognising that they are wholly dependent on volunteers and some of the potential services to be delivered will come with high client expectations in terms of customer service.
- Officer perceptions, based on experience, that there will be higher repair and renovation costs than anticipated.
- The potential loss to the Council of a capital receipt for the building.

- A lack of inherent ability of the building to meet modern needs (both of young people and the community). The community group will also be required to consult with the Scottish Fire & Rescue Service to ensure the building and management team comply with current legislation, particularly in relation to emergency evacuation.

3.3 A key point of debate from the Committee related to understanding what the implications would be should the project progress for a period and be found to be unsustainable, with the building reverting to the Council. This Committee may wish to consider the implications which are:

- A reduction in saleable value of the asset due to ongoing further degradation of the building during intervening period.
- An increase in expectations about service provision from young people in Stonehaven, which subsequently will not be met should the project not be sustainable.
- There is the potential for significant officer and member resources to be utilised in managing a 'transfer back' of the building should it prove to be unsustainable. It is worth highlighting that whilst Aberdeenshire Council (through CLD) are supportive of the provision of youth activities by third parties, their focus is on targeted provision, so would not be able to meet increased local expectations, leading to a significant reputational risk to the Council.

3.4 The K&M Youth Group, as part of their request to speak, highlighted that a number of risks highlighted by officers could be managed by:

- Utilising goodwill from local contractors to secure competitive prices for necessary work, as well as utilising the men's shed where appropriate.
- Focusing building improvement works on existing spaces rather than major structural works with associated increased costs.
- Undertaking full building survey to ensure a longer-term programme of works can be scheduled and be fundraised for.
- Improving access through the purchase of a stair lift which can also accommodate wheelchair access.
- Commencing discussions with adjacent landowners to agree and confirm emergency access routes.
- The group have highlighted that as they intend to maintain the building in the short term, it is unlikely to degrade to the extent that this would impact negatively on any future sale price.

3.5 Officers recognise the efforts and enthusiasm of the group and the laudable aims implicit within this application. However, the officer concerns about long term sustainability and implications still remain. It is the professional opinion of Officers that the building would be more expensive to run (both from a capital and revenue perspective) 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. 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 3		
Children and Young People's Rights and Wellbeing	IIA attached as Appendix 3		
Climate Change and Sustainability		X	
Health and Wellbeing	IIA attached as Appendix 3		
Town Centre First	IIA attached as Appendix 3		

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 3** 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 [Corporate Risk Register](#):

- 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.

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 C.5.2.1 of the [List of Committee Powers in Part 2A](#) of the Scheme of Governance as the Area Committee has made a decision in relation to a Community Asset Transfer that is contrary to Officer's recommendations or does not accord with Council policy.

Alan Wood
Director of Environment and Infrastructure Services

Report prepared by Tim Stephen, Kincardine and Mearns Area Manager.
Date: 19 January 2024

List of Appendices:

- Appendix 1 – 2023-12-12 Report to Kincardine & Mearns Area Committee
- Appendix 2 – Asset Transfer Request & Supporting documentation
- Appendix 3 – Integrated Impact Assessment