



Northumberland

County Council

CABINET

DATE: 11 September 2018

Proposed Transfer of 5 Palace Street East, Berwick upon Tweed

Report of Mike Turner, Head of Property Services

Cabinet Member: Councillor Peter Jackson, Leader of the Council

Purpose of report

To seek approval to the Council acting in its capacity as a trustee to transfer 5 Palace Street East (including the Mansion House and Hall) to Berwick Youth Project and to appoint an additional trustee, in an administrative position, to enable the Property to be transferred.

Recommendations

It is recommended that Cabinet approve:

1. The transfer of 5 Palace Street East to Berwick Youth Project (BYP) to enable the charity to offer additional services specifically to young people and the wider Berwick population through the redevelopment of this former Community Centre building.
2. The appointment of Mike Turner, Head of Property Services and Capital Programme, as an additional trustee.

Link to Corporate Plan

This proposed building transfer is relevant to the Corporate Plan in ensuring that everyone in the community feels safe, valued and part of the community. It also ensures that the objectives of the Foundation continue to be met through the development of the building to support the targeted age group of 13-19 year-olds living in the former of Borough of Berwick upon Tweed in North Northumberland. There is a resident population of just over 1800 young people in this age group.

Key Objectives

- To assist Berwick Youth Project to deliver additional services for young people in Berwick. The Youth Project has three main fields of operation, which engaged with 580 young people during 2016/2017:

- Information and Support
- Youth Work and Outdoor Activities
- Supported Accommodation

Each department has its own full-time Team Leader, overseen by the Project Manager, who is the senior employee of the Charity.

- To bring a derelict listed building in Berwick back into use for the benefit of the community.

Background and Key Issues

NCC holds the land at Palace Street East (including the Mansion House and Hall) as sole corporate trustee on trust for an unregistered charity known as the Old Grammar School Foundation (The Foundation).

- The Property is held as part of the Foundation's general endowment to be used as a school house and otherwise for the purposes of the Foundation.
- Until the 1940/50's the Property was used as a school, then after this use ceased, it was used by the Council's Education Team for community purposes and by the Council's Registrars. It is currently vacant and has fallen into disrepair.
- The Council in its capacity as trustee of the Foundation now wishes to transfer the freehold to BYP, an unincorporated charity (charity no 1040380). The transfer would be a for nil consideration. Each party will bear their own costs.
- The Council is under a legal duty as a charity trustee to ensure that the Property is used to further the Foundation's charitable purposes. The Council doesn't hold the Property as part of its corporate assets.
- To enable the transfer(and satisfy property law) the Council, in its role as a trustee, must appoint an additional trustee. Mike Turner is prepared to fulfil this role.
- Discussions have been held with the Charity Commission regarding the possibility of transferring the Property to BYP and a draft scheme prepared with the aim of aligning the BYP objectives to the Trust's objectives. BYP was established in 1994 and has provided youth support services including: information and support; youth work and outdoor activities and supported short term accommodation. Colleagues in Children's Services have been consulted and have given positive feedback regarding their experiences working with BYP.
- The Foundation may only amend its charitable objectives through a cy-pres scheme obtained from the Charity Commission. The circumstances in which cy-pres schemes are granted are very limited and the Charity Commission's aim would be to secure the Property for a use very close to the original purposes.

- The draft scheme has been approved by the Charity Commission to widen the Trust's objectives to permit the transfer to BYP. However a formal submission is yet to be made
- Before the formal submission can be made, the Council, as trustee, has had to advertise its intentions in the local press and on the Property for a month.
- Residents from one of the neighbouring properties have expressed concerns regarding the possibility of the buildings in the rear yard being replaced with more permanent structures. They have been advised that the Charity Commission will ensure that the terms of the Trust are upheld and any additional building would be subject to planning.
- Once Cabinet approval is obtained draft terms for the transfer can be prepared which will enable BYP to submit formal applications for their funding and an application for planning.

Implications

Policy	In accordance with the Council's Policy to support local communities.
Finance and value for money	Although acting in capacity as trustee, NCC is still responsible for ongoing building costs. Revenue savings will therefore be generated by transferring the building to BYP.
Legal	The transfer of the building to BYP will enable the Council to fulfil the educational covenants on the building and release it from future obligations. Legal advice has been sought from Womble Bond Dickinson to ensure due process is followed in accordance with the charitable objectives of the Trust.
Procurement	N/A
Human Resources	None
Property	BYP will assume responsibility for re-developing and maintaining the property in line with its Business Plan
Equalities (Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>	N/A
Risk Assessment	N/A
Crime & Disorder	BYP work with vulnerable youths and endeavour to help prevent them committing crimes

Customer Consideration	None
Carbon reduction	None
Wards	Berwick upon Tweed

Background papers:

SEM file

Report sign off:

	Initials
Monitoring Officer/Legal	LH
Executive Director of Finance	BS
Relevant Executive Director	BS
Chief Executive	DL
Portfolio Holder(s)	PJ

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