



COMMUNITY ASSET TRANSFER

Moray Council
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The Three Kings Cullen Association
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[REDACTED]
[REDACTED]
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Contact: Andrew Gray
Direct Dial: 01343 563726
E-mail: CAT@moray.gov.uk
Website: www.moray.gov.uk

Our Ref: CAT/067/ATR

Sent via email to: [REDACTED]
[REDACTED]

Date: 12 August 2020

Dear Association Members

CAT/067/ATR DECISION NOTICE – AGREED

This Decision Notice relates to the asset transfer request made on 3 January 2020 by the Three Kings Cullen Association in relation to the Cullen Community and Residential Centre, Seafield Road, Cullen.

Moray Council has decided to agree to the request for the transfer of ownership of the property subject to the following terms and conditions:

- (a) Subjects – the asset comprises Cullen Community and Residential Centre, Seafield Road, Cullen, including that part of the premises occupied by the Council for the purposes of delivering a library service;
- (b) Price – the price payable will be £35,000;
- (c) Existing Lease to the Association – the existing lease terms will apply until the date of the transfer;
- (d) New Lease to the Council – the transfer is conditional upon the Association agreeing to lease the library back to the Council on the following main terms and conditions:
 - (i) Leased Subjects – the subjects are coloured pink on the attached lease plan.
 - (ii) Period – the lease will subsist for 20 years from date of entry (to be agreed).
 - (iii) Break – there will be an option to break the lease at any time in the Council's favour on giving 6 months written notice to the Association.
 - (iv) Rent – £1 per annum, if asked, with no review.
 - (v) Use – library and associated services.
 - (vi) Maintenance/repair – the Association will be responsible for maintaining common services and keeping the premises wind and watertight and the Council for maintaining the interior of the library. Major repairs affecting the library will require to be agreed with the Council prior to them being carried out.

- (vii) Insurance – the Association would insure the building and recharge the Council a proportion of the premium in accordance with the agreed service charge percentage.
- (viii) Service Charge – the Council will pay a monthly service charge in respect of common services, including utilities, repairs and maintenance, but not upgrading or renewal without the Council's consent, with costs apportioned according to the gross internal floor area of the main building, excluding outbuildings. This means that the Council's share of common costs will be 12.71%. Services supplied by the Association exclusively to the library will be recharged at 100%. The element of the Council's service charge liability relating to repairs and maintenance will be capped at £3,000 per annum.
- (e) Fees/Expenses – each party would meet its own legal expenses in the processing of the transaction, including legal expenses and surveyors fees; and,
- (f) Other Terms – any other detailed terms agreed with the Council's Legal Services Manager and Estates Manager.

The reasons for the Council's decision are as follows:

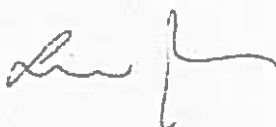
- (i) The requested transfer is likely to contribute to the priorities set out in the Council's Corporate Plan and Local Outcomes Improvement Plan;
- (ii) The strength of the Association's overall business case is considered to be moderate to strong. That is,
 - (a) The Association's governance and financial management arrangements are considered to be sound and sustainable,
 - (b) Best Value characteristics are in evidence in the proposal, and
 - (c) The projected benefits are considered to be acceptable, could lead to value for money, and are sufficient to justify a disposal at less than market value.
- (iii) No reasonable grounds were found for refusing the request.

If you wish to proceed, you must submit an offer to Moray Council at the address above by **12 February 2021**. The offer must reflect the terms and conditions set out above, and may include such other reasonable terms and conditions as are necessary or expedient to secure the transfer of the property within a reasonable time.

If you consider that the above terms and conditions differ to a significant extent from those specified in your request, you may apply to Moray Council to have this decision reviewed. Any application for review must be made in writing to committee.services@moray.gov.uk by **9 September 2020**, which is 20 working days from the date of this Notice.

If you have any questions about the asset transfer process please contact the Moray Community Asset Team via CAT@moray.gov.uk or telephone 07929 785090.

Yours sincerely



Lorraine Paisey
Chief Financial Officer