

Cabinet

Report Title	Smethwick Heritage Centre, Victoria Park Lodge, High Street, Smethwick
Date of Meeting	14 January 2026
Report Author	Stefan Hemming Strategic Lead – Assets and Land (Commercial)
Lead Officer	Alan Lunt Executive Director - Place
Lead Cabinet Member(s)	Councillor Suzanne Hartwell Cabinet Member for Neighbourhoods and Community
Why is this a key decision?	N/A
Wards Affected	Smethwick
Identify exempt information and exemption category	Open
Is the report urgent?	No
Reasons for urgency (only where applicable)	
Appendices (if any)	1. Site Plan – Smethwick Heritage Centre

1. Executive Summary

- 1.1 This report seeks approval for the Community Asset Transfer (CAT) of the Council owned property known as Smethwick Heritage Centre, Victoria Park Lodge, High Street, Smethwick. It provides an overview of the proposed transfer and provides assurance around ensuring the transaction adheres to best practice and is legally compliant.

2. Recommendations

The Cabinet is recommended to:-

- 2.1 Approve the Community Asset Transfer (CAT) of Smethwick Heritage Centre, Victoria Park Lodge, Smethwick as detailed in the site plan at Appendix 1 to this report, to the Trustees of the Smethwick Heritage Centre Trust for a term of 25 years based on a full repairing lease with a rental of £1 per annum.

- 2.2 Delegate authority to the Monitoring Officer, Service Director - Governance to dispose of the property, on terms and conditions to be agreed by the Service Director – Property and Assets in consultation with the Cabinet Member for Neighbourhoods and Community
- 2.3 Delegate authority to the to the Monitoring Officer, Service Director - Governance to execute any documents necessary to give effect to the proposal in recommendation 2.1 and 2.2. above.

3. Proposals – Reasons for the recommendations

- 3.1 The proposed asset transfer accords with the Council's principle of proactively advertising community properties for potential Community Asset Transfers (CAT) as a priority. Transfers will be undertaken in accordance with the Council's policy on CAT's and will only happen if officers are satisfied that a clear, sustainable plan is in place to maintain the asset and that further calls on the Council for support are unlikely.
- 3.2 The Corporate Asset Management Strategy (CAMS) was approved by Cabinet in 2022. It acknowledged that the Council is committed to maintaining an effective and efficient property portfolio which supports the delivery of services to residents, provides value for money, reduces our environmental impact, and maximises opportunities to generate value.
- 3.3 The recommendations support the delivery of the Council's Medium Term Financial Strategy (MTFS) and assists in ensuring that the Council has a balanced budget moving forward alongside an efficiently operating estate to deliver Council services.
- 3.4 The recommendations presented will contribute to a stronger and more inclusive economy by maximising local asset use and support strong and resilient communities by providing more opportunities for community-based social activities.
- 3.5 Established in 1997, the Heritage Centre was founded with the aim of creating a museum to preserve the industrial and civic history of the town. With the support of National Lottery funding and additional contributions from smaller charitable foundations, the Centre officially opened in September 2004 at its current location - an extended lodge situated at the entrance to Victoria Park, adjacent to the Smethwick Council House on the High Street.
- 3.6 In 2006, the Centre became a company limited by guarantee and attained accreditation as a museum. Throughout its existence, it has maintained a strong connection with the people of Smethwick, both locally and across the world. Many individuals support its operations by subscribing to a quarterly magazine dedicated to the town's history, with a subscriber base ranging between 750 and 1,000. Additionally, the Centre manages a vibrant Facebook page boasting 7,500 members. 62% of service users are from Sandwell
- 3.7 The applicant, the Trustees of the Smethwick Heritage Centre. actively work to encourage and promote community cohesion and support the isolated, lonely and vulnerable members in society through the activities of the community hub. They are currently leasing the property from the Council

having commenced on 9th October 2003 for a term of 25 years. The lease is due to expire on 8th October 2028. They preserve and promote Smethwick's rich industrial and civic heritage for present and future generations, engaging with schools to support their history curriculum and encourage youngsters to be proud of their town.

- 3.8 As part of the application process, the applicant has also provided a full set of accounts for the period 2024 which demonstrates a sustainable approach to finances and the future management of the asset. However, to ensure that they can access relevant grants to support the development of the asset and delivery of their business plan a longer lease term demonstrating security of tenure is required. A site plan for the property is provided at appendix 1. Should the Council proceed with the CAT, this will be on a full repairing basis whereby all maintenance and associated financial liability would remain with tenant for the duration of the lease term.
- 3.9 The recommendations align with the responses received from the public budget consultations which supported the disposal or development of Council assets.

4. Alternative Options Considered

- 4.1 The recommendation set out in section 2 of this report is the preferred option. The following alternative options were also considered.
- 4.1.1 **Option 1 – Not to progress the CAT lease with the incumbent and on expiry of the lease take the property back into Council control.** The Council could choose to not progress the CAT lease with the existing tenant and allow the lease to run its term and expire on 8th October 2028 with the vacant property to be returned to the Council at this time. However, this would not be considered viable, as no operational use has been identified and would result in the loss of this vital community organisation and facility. It would also not support delivery of the Asset Management Budgets Savings targets 2023-2026, due to ongoing liability of repairs and maintenance, security, and other holding costs, with additional revenue budgets needing to be identified for the Council to manage the site. This option was dismissed.
- 4.1.2 **Option 2 – Not to progress the CAT lease with the incumbent and on expiry of the lease look to let the property on commercial terms at market rent.** This would not be considered viable, as this would result in the loss of this vital voluntary organisation and the extensive range of community outputs. This option was dismissed.

5. Consultation

- 5.1 The project is subject to ongoing internal consultation with key stakeholders from finance, legal, property, and community partnerships services alongside lead Cabinet Members. Decision-making governance gateways that require consultation or delegated authority will be obtained in accordance with the relevant policies and procedures

6. Financial Implications

- 6.1 The Council needs to deliver £2.5m of recurring savings by 2025/2026 from its asset base and to transform the way it uses its assets. The recommendations in this report will ensure that the Council can continue to support effective delivery of community-based services without incurring additional expenditure.
- 6.2 The current market rental is estimated at £11,500 per annum and the current market capital valuation is estimated at £120,000.
- 6.3 In accordance with section 3 of the Community Asset Transfer Strategy, each party will be responsible for paying their own legal and surveyor's fees as necessary.

7. Legal and Governance Implications

- 7.1 S.123 of the Local Government Act 1972 permits a principal Council such as Sandwell to dispose of land in any way it wishes, except that it shall not (without the Secretary of State's consent) dispose of land for a consideration less than the best that can reasonably be obtained.
- 7.2 The Secretary of State issued a General Disposal Consent in 2003 (Circular 06/03) which states that specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social, or environmental well-being of its area. Where applicable, authorities should also have regard to their community strategy. Any disposal must not have an undervalue of more than £2m.
- 7.3 The Council's Community Asset Transfer Strategy sets out the Council's approach and details the required application criteria that is required to be met. A CAT will usually be granted for an initial term of 25-35 years as detailed in section 3 of the Community Asset Transfer Strategy and at a reduced rental rate.
- 7.4 The grant of a 25-year lease at an annual £1 rent means the Council is foregoing the market rent that would be payable for the property during that period. This is mitigated by (i) the effective transfer of responsibility for the repair, maintenance and insuring of the property to the proposed tenant; and (ii) the broader community benefits to the area.
- 7.5 The grant of a lease at an undervalue on the proposed terms could constitute a subsidy under the Subsidy Control Act 2022 as it may permit a certain degree of commercial usage. To comply with legislative requirements relating to a subsidy, the Council will either apply the 7 subsidy control principles to justify the giving of the subsidy or grant the subsidy under the Minimum Financial Assistance exemption and report on this to the BEIS Transparency Database.
- 7.6 Subject to approval being given by Cabinet, the Monitoring Officer / Service Director - Governance will take all actions necessary in accordance with

delegations proposed through this report to complete the grant of a lease or undertake a freehold disposal as required.

8. Risks

- 8.1 The Council recognises that with any asset transfer there is an element of risk both to the Local Authority and to the voluntary sector organisation taking on the asset. As such the Council has followed a stringent selection and assessment process. This will be supplemented by a regular monitoring to ensure that all objectives under which the CAT was granted are still being met.
- 8.2 The recommendation for the organisation stated was based on agreed criteria that include governance arrangements, the organisation's previous track record, and the viability of their future plans, including current and projected financial positions.
- 8.3 Ongoing monitoring of the lease is managed under the terms of the CAT which sets out criteria, including up to date accounts, business plan, governance, and usage details, which the management organisation must adhere to, to fulfil the terms of the lease.
- 8.4 To mitigate risk to the management organisation the Council will ensure a rolling tenant only break is included in the lease, following the initial 12-month period after commencement. This will ensure that the organisation has an exit opportunity should they encounter financial difficulty at any time in the future, and

9. Equality and Diversity Implications (including the public sector equality duty)

- 9.1 The continued review of the Council's asset portfolio, and any associated CAT, will ensure all vulnerable groups are considered, and that appropriate facilities continue to be provided across the borough in a more targeted manner.

10. Other Relevant Implications

- 10.1 The disposal and continued use of the property as a heritage visitor facility will offer a range of health and wellbeing benefits alongside supporting the regeneration of the borough through improving and developing assets and places for people to go.

11. Background Documents

- 11.1 Community Asset Transfer Strategy
- 11.2 Corporate Asset Management Strategy

12. How does this deliver the objectives of the Strategic Themes?

- 12.1 This report will support the delivery of the following Strategic Themes: -
- Living in Sandwell
 - Healthy in Sandwell
 - Thriving Economy in Sandwell
- 12.2 The recommendations identified will contribute to a stronger and more inclusive economy by maximising local asset use. It will also contribute to ensuring strong, healthy and resilient communities by providing a maintained heritage facility demonstrating Sandwell's past.
- 12.3 The recommendation supports a local voluntary organisation to support the community within which it operates and ensure the long-term sustainability of a vital heritage asset.