



Mumbles Community Association

Underhill Park Mumbles: Community Asset Transfer



NOTE: A legally binding agreement was reached in July 2018 between the Charity, Mumbles Community Association, and Swansea Council for the Park to be leased to the Charity on completion of the provision of new facilities within Underhill Park. This agreement was subsequently modified in July 2021 to include Mumbles Community Council, such that the lease would pass to the Community Council who would subsequently sub-let it to the Charity on the same terms. (This transfer has not yet taken place.)

The importance of this agreement was that it was essential in order for the Charity to secure the funding that it did to provide the new facilities.

1. What went well?

- We successfully set up the Charity in 2015 and have complied with the Charity Commission's requirements since. We have a constitution and have submitted an annual report and accounts, each year, since our inception. Any surplus the Charity makes has to be used to sustain the Park and its facilities for future generations.
- We established good team of local people as Trustees with a range of complementary skills, who have worked together for over 10 years. They have had focus, commitment and resilience which has enabled them to achieve a commonly agreed objective encapsulated in the Development Plan for the Park.
- We have been able to secure over £3m from a range of different organisations, businesses and individuals to invest in new facilities.
- We appointed a professional advisor team which delivered two major construction projects.
- These projects have provided the community of Mumbles with a community café and bar which provides an important local meeting place encouraging social interaction. There are now new changing rooms and showers for players and referees, a medical room, disabled changing, meeting room, new services, plant and storage facilities. All the facilities are fully wheelchair accessible. In addition, a full-size all-weather 3G pitch was completed in September 2023.
- The constructive approach we received from the Council's Estates Officer, Lewis Hinds, greatly helped what was a difficult process involving a wide cross section of Council Departments.

2. What was most challenging?

- Initially, getting the park users working together, particularly the two main sports clubs, whose home the Park is.
- Convincing the local Community Council to support the charity and retaining this support over the life of the project.
- Dealing with Swansea Council's legal department who were short staffed and had other more pressing priorities. The fact that Council lawyers were only willing to speak to other lawyers also created challenges and added to our costs.

3. What risks and barriers did you face? How did you overcome or mitigate them?

- The biggest risk was not securing the necessary funding. Several previous attempts to improve the facilities in the Park had failed because of this.

This was overcome by the free expertise provided by Trustees and others, and by the local Community Council providing some seed funding so that the Charity could employ a local architect and other professionals.

- The requirement to pay VAT on the construction of the new facilities. (£600K on a £3m investment). In most building projects this can be reclaimed but because charges for sports facilities are normally exempt from VAT this was not possible.

With the advice of specialist accountants BevanBuckland LLP we “Opted to Tax the Land” and register the charity for VAT. This means operating the facilities through a wholly owned subsidiary company, Underhill Management Company Ltd (UMC) that pays rent to the Charity. VAT is payable on this rent. The allowed the Charity to reclaim the VAT on the construction costs. The consequence of this arrangement is that the sporting services have to be run by the wholly owned subsidiary company which has to charge VAT on its services. i.e. the company has to charge VAT on the hire charges for the grass pitches and all-weather pitch.

4. What guidance, advice and support were/have you given? Including in relation to funding and applying for grants?

- Some Trustees already had expertise in applying for grants, but this was supplemented by guidance notes available on-line from various funding bodies such as the Welsh Government, The National Lottery and Swansea Council. We also had help from grant officers within Swansea Council.

5. What have been the main community benefits to the transfer?

- Without the agreement to transfer the land it would not have been possible to secure the various grants, which made up the majority of the funding for the development, and the new facilities would not have been provided.

6. Have there been any particular disadvantages or challenges found since the transfer?

Having responsibility for running the Park and the new facilities has created a whole new set of challenges as we are now essentially running a business.

- Governance issues associated with individuals having roles with both the charity and the wholly owned subsidiary company (UMC)
- A conflict of interest for Trustees who also have a role with the sporting clubs who use the Park.
- Appointing and managing staff.
- Dealing with the day-to-day management issues such as determining charging policy, maintenance, keeping and managing accounts etc.

7. What consultation did you (or was) carried out with regard to the transfer?

- The Charity held public meetings, held exhibitions of proposals, developed a video of the proposals, established a web site and used social media. This was not specifically related to the transfer but was focused on the proposals that would be possible should the transfer proceed as planned.

8. Do you think the asset transfer process could be improved, if so, how?

Yes; by the Local Authority having a lead officer with a dedicated group of officers from appropriate service department who have the authority to advise and deal with issues arising. This officer could report to an executive member charged with overseeing this aspect of the Council's agenda.

Hopefully, other community groups can learn from the successful ones. E.g. we have provided support to a group in Clydach, and we have provided guidance notes which are available on request. (Copy attached)