

Report to Cabinet

Subject: Community Asset Transfer Submission: Arnold Hill Community Centre

Date: 29 September 2016

Author: Community Investment Manager

Wards Affected

All

Purpose

To inform Cabinet of the receipt of a Community Asset Transfer (CAT) request in respect of Arnold Hill Community Centre from the Eagle's Nest Church, a local faith organisation and registered charity.

To request the approval of Cabinet to enter into negotiations with the Eagle's Nest Church, with a view to a 99 year, full repairing lease being implemented on a 'peppercorn rent' basis.

Key Decision

This is not a key decision.

Background

1. Gedling Borough Council Community Asset Transfer Policy

Along with other Local Authorities across the country, the Council is being encouraged by Central Government to explore Community Asset Transfer wherever appropriate and viable, in order to achieve financial savings whilst ensuring best value and innovation in the delivery of services to local communities.

To that end, Gedling Borough Council adopted a Community Asset Transfer Policy in October 2015. The aims of the policy are:

- To identify the process and tools that will enable the successful delivery of a future asset transfer programme.
- To recognise the capacity needs of local groups wishing to take on local authority assets.
- To ensure a thorough risk assessment of asset transfer is undertaken.

- To define the legal form a transfer agreement would take.

A successful funding application to the Community Ownership and Management of Assets (COMA) Programme, provided by the Cabinet Office and administered by 'Locality', a national association of social enterprises, led to the establishment of a Gedling Community Asset Transfer Community Partners Group.

Created to enable community organisations to consider opportunities in respect of the Council's portfolio of community centres, the group also operates to develop the skills, competencies and necessary governance and management infrastructure needed to prepare organisations to enter into a CAT.

2. The Gedling Community Asset Transfer Development programme

COMA funding was used to deliver a programme of high quality training and development workshops, and to commission independent structural surveys on the three community centres emerging as being of primary interest to groups; Pond Hills Lane, Wollaton Avenue and Arnold Hill Community Centres. Survey reports included a five year financial management plan for each centre, with projected costs being clearly prioritised as follows:

1. Statutory
2. Essential
3. Desirable
4. Beneficial

Asbestos and Legionella Surveys were commissioned and carried out on four community centres; Arnold Hill, Pond Hills Lane, Wollaton Avenue and Burton Road community centres. These surveys have informed the development of Asbestos Management and Legionella Management plans, which are a statutory requirement. Through the COMA process these management plans will become the responsibility of organisations taking on a CAT.

3. Community Asset Transfer submission process

In accordance with the Asset Transfer Policy, organisations wishing to take on more responsibility for a community facility must engage in consultation with relevant stakeholders, ensure that the required statutory policies and public liability insurances are in place and demonstrate a robust business plan for ongoing management of the facility.

A CAT submission process has been adopted for that purpose, and a CAT officer hub appointed, comprising of estates, facilities management, legal, finance and community

centres management officers, to consider CAT submissions as they arise.

On receipt of a CAT submission, a six week public notice of consultation is immediately triggered, following which the CAT Officer hub is convened to make an initial assessment of the application. The recommendations of that assessment are then put to Cabinet.

Eagle's Nest Church CAT Submission

The Eagle's Nest Church is a committed member of the CAT Community Partnership Group, and as such has benefited from the Locality consultancy resources, training and guidance provided through our Community Asset Transfer development programme.

A submission was received from the Eagle's Nest Church on Friday 15th July and the public consultation period ended on 19th August. The CAT Officer hub met on 24th August to assess the submission, which consisted of the following documents:

- Completed CAT Application
- Business Plan
- Governing Documents - Eagle's Nest Constitution
- Annual Reports for 2 previous financial years, including accounts.
- Health & Safety Policy and Statement
- Equal Opportunities Policy
- Safeguarding Policy - which includes Child Protection & Vulnerable Adult
- Lettings Policy
- Public Liability Insurance details

Outcomes of the CAT Officer hub

The CAT Officer hub met on the 24th August to review the submission documents and to complete an Equalities Impact Assessment and Building Viability Assessment.

- Equalities Impact Assessment: **Appendix A**
- Building Viability Assessment: **Appendix B**

Public consultation period

The consultation period yielded no comments from members of the public however one existing user group contacted the council to enquire about the implications in respect of their regular booking at Arnold Hill Community Centre. The group was referred on to Rev. Fahy of the Eagle's Nest Church and assured that the booking would be maintained going forward.

Findings

In reviewing the Eagle's Nest submission, the following positive observations were

made by the CAT officer hub:

- The submission included all documents required by the process, including all of the necessary statutory policies.
- The Eagle's Nest Church has undertaken sensitive, appropriate consultation with existing user groups and demonstrated a partnership approach with Gedling Borough Council, the Arnold Hill Academy and other member organisations in the CAT Community partnership group. The intention is that all current users of the Arnold Hill Community Centre will be retained.
- Substantial preparation and development has been undertaken, including local research to evaluate need and inform the direction of services, familiarisation visits to a range of other facilities with a similar vision and approach in and around the East Midlands. The Eagle's Nest is in the process of establishing an arms - length charity with the specific remit to manage the centre. Incorporation is on target to complete in October 2016.
- In terms of site management and caretaking, it was noted that a user group key holder and volunteer led site management approach is proposed in the short term, with the creation of a centre manager and cleaner post envisaged within the first year.
- Additionally, grant funding professionals have been approached to outline planned projects, including building remodelling, and to seek recommendations on whether this community asset transfer project would be likely to successfully access funding in the future.
- The priorities and vision set out in the application reflect those of the Council, specifically the intention to 'provide a multi-use, multi - generational community hub of excellence that is widely used by the people of Arnold, with the aim of building community, acting as a catalyst for volunteer projects and partnership with others to increase social provision'.
- The business plan states that this will be achieved through the phased development of new provision including a seniors café, a girls youth club, lifestyle support and money management advice, summer holiday activities for children, volunteer development and training, to operate alongside the existing health, education, arts and performance activities currently provided at the centre.
- The financial business plan for the centre was compared with the five year building maintenance plan set out in the independent structural survey. It was noted that the plan adequately addressed the projected '**statutory**' and '**essential**' costs, and provision had been made and funding options were being

explored to undertake remodelling of the shower and kitchen area, along with planned installation of ICT/Conferencing facilities. These elements have the potential to substantially increase the viability of the centre by attracting a wider range of users, thereby having the potential to address some of the '**desirable**' and '**beneficial**' maintenance costs.

- Room hire charges reflect market rates and correlate with those of similar community and public facilities in the area. The stated aim to increase occupancy from the current 57% to 65% in the first year is deemed realistic, given the evident partnership and activity development, research and forward planning.

Proposal

It is proposed that Officers now enter into negotiations with the Eagle's Nest Church commencing in October 2016, with a view to effect community asset transfer of the Arnold Hill Community Centre by way of a 99 year, full repairing lease under a 'peppercorn rent' arrangement. Cabinet is to note that any subsequent lease agreement would be subject to further Cabinet approval following the successful completion of necessary facilities, legal and financial investigations and the establishment of an agreed transition plan for the proposed CAT.

Alternative Options

The alternative options would be not to enter into negotiations with the Eagle's Nest Church but to:

1. maintain current Gedling Borough Council management arrangements in respect of the Arnold Hill Community Centre

This option would restrict the Council in achieving best value and projected savings in the Community Centres Management budget, and limit the potential for innovation and growth of services to the community.

2. consider the site for disposal

Arnold Hill Community Centre is one of the newest facilities in the Council's portfolio of community centres. The centre is in a prime location in an area of substantial community need. Retention of the centres' use as a community hub supports wider Council aims to develop the Arnold Town Centre and address the health, wellbeing and community resilience of that area.

Another option would be to effect community asset transfer of the Arnold Hill Community Centre by freehold transfer, under different lease arrangements or by entering into a licence. This option would potentially restrict the ability of the new management organisation to access grant funding and to pursue other opportunities for sustainability

and growth.

Financial Implications

The successful COMA application and subsequent follow on funding has enabled us to meet the additional costs of commissioning surveys and consultancy support to allow organisations going forward with CAT to undertake necessary organisational development, create business plans and to appoint independent legal and technical advice.

Subject to successful completion of the CAT, the proposed budget savings for the Arnold Hill Community Centre cost centre from 2017/18 will be **£25,100.00**.

Detailed financial implications of the proposed CAT will emerge through the lease negotiations and development of the transition plan, and will be the subject of a further report to Cabinet, however the following are areas of potential financial impact:

Ensuring viability of the site for transfer

Whilst the site is deemed to be in reasonable condition and compliant with current Health and Safety and Equal Opportunities legislation, costs to the Council may nevertheless emerge during the negotiation process.

Car park

The car park is owned by Nottinghamshire County Council, with which Gedling Borough Council has a maintenance agreement. This arrangement will need to be reviewed in the light of the proposed CAT, and may result in a cost to the Council.

Asbestos and Legionella management plans

A number of remedial actions have been highlighted by the asbestos and legionella surveys, some of which are the Council's current statutory responsibility, and some of which may be subject to the negotiation process.

Staffing implications

The caretaker currently in post at Arnold Hill Community Centre is employed on a temporary contract therefore no financial implications arise from the proposed CAT, i.e. redundancy.

Appendices

Appendix A: Equalities Impact Assessment

Appendix B: Building Viability Assessment

Background Papers

Eagle's Nest Church full submission documents

Recommendations

It is recommended that Cabinet:

- (a) agrees that Officers should enter into negotiations with the Eagle's Nest Church with a view to effect community asset transfer of the Arnold Hill Community Centre by way of a 99 year, full repairing lease under a 'peppercorn rent' arrangement; and
- (b) notes that any subsequent lease agreement would be subject to further Cabinet approval following the successful completion of necessary facilities, legal and financial investigations and the establishment of an agreed transition plan for the proposed CAT.

Reasons for Recommendations

To enable officers to enter into positive long term lease negotiations with the Eagle's Nest Church in respect of the Arnold Hill Community Centre, the outcome being subject to a further report to Cabinet in due course.