

Report to Cabinet

Subject: Community Asset Transfer of Arnold Hill Community Centre to Eagle's Nest Church

Date: 1 June 2017

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Wards Affected

1.1 All

Purpose

2.1 To obtain Cabinet approval for the community asset transfer of Arnold Hill Community Centre, from Gedling Borough Council to Eagles' Nest Church by way of a 99 year, full repairing lease.

2.2 To authorise the Deputy Chief Executive and Director of Finance to approve the terms of the lease.

Key Decision

3.1 This is not a key decision.

Background

Gedling Borough Council Community Asset Transfer Policy

4.1 Cabinet 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.

The Gedling Community Asset Transfer Development programme

4.2 The Community Relations Service Area has been working alongside a selection

of local community organisations in support of their pursuit of community asset transfer. One of these groups was Eagle's Nest Church who had expressed an interest in Arnold Hill Community Centre.

Eagle's Nest Church Community Asset Transfer Submission

4.3 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. These details need to be submitted to the Council by way of a formal submission.

4.4 A submission was received from the Eagle's Nest Church on Friday 15th July 2016 and the public consultation period ended on 19th August. On 29 September 2016 Cabinet agreed 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.

4.5 In accordance with the Community Asset Transfer Policy, consideration has been given to the appropriate rental value of the lease. Section 123 of the Local Government Act 1972, gives the Council the power to dispose of land in a manner it wishes but stipulates it may not do so for a consideration less than best that can be reasonably obtained. The General Disposal Consent (England) 2003 enables the Council to dispose of land at less than best consideration that can reasonably be obtained in certain circumstances. A peppercorn rent has been agreed for Arnold Hill Community Centre following an assessment of Eagle's Nest Church's business plan. The plan sets out the intention for a multi-use community centre hub for the people of Arnold that develops new provision such as a seniors café, girls youth club, lifestyle and money management support, summer holiday activities, volunteer development and training and the continuation of the current health, education and arts and performance activities at the centre. It is therefore deemed the following circumstances apply in accordance with the General Disposal Consent (England) 2003:

- The asset transfer will contribute to the promotion and improvement of economic and social well-being of residents within the wider local area.

4.6 Members also noted on 29 September 2016, that any subsequent lease agreement would be subject to Cabinet approval following the successful completion of necessary facilities, legal and financial investigations and the establishment of an agreed transition plan for the community asset transfer. An operational transition plan has been agreed by Council officers and Eagles Nest Church to ensure the smooth transfer of the building. This covers key themes such as the transfer of health and safety responsibilities, contractor liaison, operational and maintenance procedures, transferring existing customers, liaison with Arnold Hill Academy as the owner of the car park and post transfer support offered by the Community Relations Service Area. The

Council's Legal and Property Services have investigated all relevant land issues, building and site covenants and current maintenance responsibilities and the transfer of these have been agreed with Eagle's Nest Church within the Heads of Terms following a period of negotiation. Financial investigations have also been undertaken; in particular some additional costs have been identified in support of the transfer process following consideration of the Legal and Property assessments. These additional costs are explained in the Financial Implications of this report.

Negotiating the terms of the lease

4.7 Officers have been negotiating the terms for the new lease agreement with Eagle's Nest Church and a Head of Terms has been agreed in principle by both parties.

4.8 In line with the Community Asset Transfer Policy, the Council and Eagle's Nest will enter into a transfer agreement that will monitor progress against the business plan included as part of the Asset Transfer Submission and ensure the areas covered in the operational transition plan are managed effectively post-transfer.

Proposal

5.1 It is proposed that:

- In accordance with the Community Asset Transfer Policy, Cabinet agree to the transfer of Arnold Hill Community Centre from the Council to Eagle's Nest Church by way of a 99 year, full repairing lease under a 'peppercorn rent arrangement'.
- The Deputy Chief Executive and Director of Finance be authorised to approve the terms of the lease.

Alternative Options

6.1 An alternative option is not to agree to the transfer of the Community Centre and maintain the current arrangements. In such circumstances, the Council would need to retain responsibility for the community centre management.

6.2 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.

6.3 A further alternative is to 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 and address the health, wellbeing and community resilience of that area.

6.4 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

7.1 The external Community Ownership and Management of Assets funds previously received from the Cabinet Office has enabled the Council to meet the additional costs of commissioning surveys and consultancy support to allow organisations going forward with community asset transfer to undertake necessary organisational development, create business plans and to appoint independent legal and technical advice. Eagle's Nest Church has benefitted from this.

7.2 Subject to successful completion of the community asset transfer, the proposed budget savings for the Arnold Hill Community Centre cost centre will be £16,300 per annum based on 2016/17 budgets.

7.3 During the negotiation of the Head of Terms additional costs to the Council have been identified to support the transition of management from the Council to Eagle's Nest. This has totalled approximately £5,000, which will be met from the Transformation Fund, and relates to:

- Onsite works identified in the Centre's legionella management plan
- Removal of trees, shrubs and dated lamp columns in the car park area
- Extension of staffing on-site for a period of two months due to extended Heads of Terms negotiations
- Onsite utility and maintenance costs for a period of two months due to extended Heads of Terms negotiations.

Staffing implications

8.1 The caretaker currently in post at Arnold Hill Community Centre is employed on a temporary contract which will cease when transfer is undertaken therefore no financial implications arise from the proposed asset transfer, i.e. redundancy. In addition TUPE does not apply.

Appendices

9.1 None.

Background Papers

10.1 Community Asset Transfer Policy

Recommendations

11.1 It is recommended that Cabinet:

- a) In accordance with the Community Asset Transfer Policy, agree to the transfer of Arnold Hill Community Centre from Gedling Borough Council to Eagle's Nest Church by way of a 99 year, full repairing lease under a 'peppercorn rent' arrangement; and
- b) Authorise the Deputy Chief Executive and Director of Finance to approve the terms of the lease.

Reasons for Recommendations

12.1 To facilitate a transfer of Arnold Hill Community Centre in accordance with the Council's Community Asset Transfer Policy and to enable officers to draw up a lease agreement that confirms the transfer of Arnold Hill Community Centre to Eagle's Nest Church.