

## Report to Cabinet

**Subject:** Community Asset Transfer of Haywood Road Community Centre

**Date:** 9 October 2019

**Author:** Service Manager Community Relations

### Wards Affected

Porchester

### Purpose

To obtain Cabinet approval for the community asset transfer of Haywood Road Community Centre, from Gedling Borough Council to Haywood Road Community Association by way of a 99 year, full repairing lease.

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

### Key Decision

This is not a key decision.

### Recommendation(s)

#### THAT:

- 1) In accordance with the Community Asset Transfer Policy, agree to the transfer of Haywood Road Community Centre from Gedling Borough Council to Haywood Road Community Association by way of a 99 year, full repairing lease under a 'peppercorn rent' arrangement; and
- 2) Authorise the Deputy Chief Executive and Director of Finance to approve the terms of the lease.

## 1 Background

1.1 Cabinet adopted a Community Asset Transfer Policy (CAT) in October 2015. The policy has some key aims.

- 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.

1.2 In accordance with the CAT 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.

1.3 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.

1.4 On receipt of a CAT submission, a subsequent six week public notice of consultation is undertaken and the CAT Officer hub is convened to make an initial assessment of the application. The recommendations of that assessment are then put to Cabinet.

1.5 An initial submission was received from Haywood Road Community Association (HRCA) on 26 March 2019 followed by additional supporting documents on later dates. A subsequent public consultation period ended on 12 August 2019.

#### 1.6 **CAT Officer Hub Considerations**

The CAT officer hub met on 24 July 2019 to assess the submission made by HRCA, which consisted of the following documents:

- Completed CAT Application
- Business Plan 2019-22
- Governing Documents – Haywood Road Community Association Constitution
- Annual accounts for 2 previous financial years, including financial projections
- Health & Safety Policy, Checklist and Risk Assessment Process
- Equalities Policy
- Policy for Safeguarding Children, Young People and Vulnerable Adults
- Room Booking Policy
- Complaints Procedure, and
- Insurance Policy details.

1.7 Following the meeting of the CAT Officer hub an Equalities Impact Assessment and Building Viability Assessment were both completed. These can be viewed as appendices.

### 1.8 **Public consultation period**

The consultation period yielded only one comment from a member of the public asking whether the green space would be accessible following community asset transfer. A response was given confirming the community asset transfer related to the community centre only and the green space will be accessible for public use. Appendix D shows a plan of the designated area proposed for community asset transfer. The land within the bold black line is proposed for transfer.

### 1.9 **Findings**

In reviewing HRCA's 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, apart from insurance policies and the most recent annual accounts. These were subsequently shared by HRCA.
- HRCA has been formally established as a Charitable Incorporated Organisation (CIO) and has been entered onto the Register of Charities with the Registered Charity Number 1183051.
- HRCA has undertaken consultation with the local community to engage and secure their ideas, as well as keeping them informed of progress in the developments at the Centre. A number of community-wide sessions have been held, most recently to confirm and secure agreement to the new constitution and the agreement to submit the application to the Charity Commission. The HRCA vision commits to on-going consultation and engagement with the community aiming 'to develop the CIO's and the Centre's ambitions by becoming a listening and responsive organisation on behalf of the users, residents and the wider community across Mapperley'.
- The priorities and vision set out in the submission reflect those of the Council, specifically the intention 'to be a successful Community Centre, opening its doors to a range of opportunities to the local community, reflecting its needs and aspirations for the benefit of all.'
- The HRCA business plan 2019/22 offers a vision, mission, governance arrangements, a set of key values and ambitions to work with the local community. The mission sets out to maintain a

strong working relationship with the Council and commits to working with the long standing anchor tenant, Haywood Road Pre-school. The plan offers a SWOT assessment, risk assessment and a review of finances to inform a three year budget and forecast. It also refers to the group's intention to develop a marketing plan to enhance the Centre's brand and will introduce a model of monitoring and evaluation of the business plan objectives to ensure it remains relevant and responsive to local need.

- The CIO has a strong committee with a broad range of skills and experience. The ongoing desire to work with the wider community to develop and manage the Centre as a community hub will support the organisation's sustainability.
- In the last three years the usage of the Centre has increased significantly. The CAT submission identified a 244% increase in annual footfall by 2018.
- The Centre works through a core letting of space to the successful Pre-School Club and via regular and ad hoc bookings by community groups and local users. Existing users are the Art group, Circle Dance group and Scrabble group, alongside new groups now offering yoga, meditation, Weight Watchers, martial arts and drama. The Centre is increasingly used for social events, children and family parties and celebrations, including many organised for the local community.
- Room hire charges are competitive when compared with the local market. The business plan and annual accounts have reported significant increases in revenue and surplus between 2015-16 and 2018-19.
- The financial 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 through provision for an on-going maintenance reserve. Funding options are being explored to undertake remodelling of the kitchen areas and a commitment to enhance the disabled toilet facilities has been made. HRCA has successfully applied for a grant of £3,000 from Nottinghamshire County Council's Local Improvement Scheme (LIS) as a contribution towards enhanced kitchen facilities at the Centre. These elements in tandem with the internal improvements to the building made by the Council in preparation for asset transfer 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 set out in the maintenance plan.

1.10 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 Haywood Road Community Centre following an assessment of Haywood Road Community Association's business plan. The plan sets out the intention for the Centre to "open its doors to a range of opportunities to the local community, reflecting its needs and aspirations for the benefit for all" and "to provide a focal point for the development of community activities and support community engagement and a responsiveness to local needs". 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.

1.11 All necessary facilities, legal and financial investigations have been undertaken and an operational transition plan for the community asset transfer has been established 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 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 are being agreed with HRCA within the Heads of Terms. 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.

#### 1.12 **Consultation with the Chair of Overview and Scrutiny Committee**

The constitution requires the Executive to consult with the Chairman of the Overview and Scrutiny Committee and local ward members where a 99 year lease is proposed. The draft copy of this Cabinet Report has therefore been shared with them for comment.

- 1.13 The following feedback has been received from the Chairman of the Overview and Scrutiny Committee:

Everything contained within the report seems reasonable and sensible and I hope that the Haywood Road Community Centre will continue to be a great asset for the community. I would just want to be sure that the necessary improvements to provide disabled toilet facilities are carried out as planned: is there a mechanism for doing this?

The following response has been given to this feedback:

With regard to the provision of a fully accessible disabled toilet, the Council will include a clause in the lease agreement with Haywood Road Community Association that will stipulate the requirement for this work to be undertaken.

## **2 Proposal**

- 2.1 It is proposed that:

- In accordance with the Community Asset Transfer Policy, Cabinet agree to the transfer of Haywood Road Community Centre from the Council to Haywood Road Community Association 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.

## **3 Alternative Options**

- 3.1 An alternative option is not to agree to the transfer of the Community Centre and maintain the current arrangements. 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. It would also conflict with the adopted CAT policy that sets out the required legal agreements when a building or land is transferred. The current arrangement with HRCA is 'a tenancy at will' which is not consistent with the principles set out in the policy.
- 3.2 A further alternative is to consider the site for disposal. However, this option has been previously considered by Cabinet on 02 February 2017. At this meeting it was agreed to authorise officers to progress community transfer of the centre to a community group or organisation which meets the criteria outlined in the Council's CAT Policy.

- 3.3 Another option would be to effect community asset transfer of the Haywood Road 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.

## **4 Financial Implications**

- 4.1 HRCA is a member of the local Community Asset Transfer Partnership that is facilitated by the Community Relations Service Area. Previous meetings attended by representatives of the group have offered training, advice and support to local organisations with an interest in running community buildings. This has been supported by the previously accessed external funding relating to “Locality’s” Community Ownership and Management of Assets programme.
- 4.2 At the Cabinet meeting on 2 February 2017 it was agreed to allocate a budget of £20,000 from the asset management fund to undertake priority works to improve the condition of the community centre. Following consultation with HRCA a proposed schedule of works were agreed and these were completed in March 2019. This involved:
- an independently commissioned building condition survey
  - a refurbishment of the community centre toilets
  - knocking through new doorways between the old bowls changing rooms and the main corridor of the centre, and
  - other minor aesthetic works.
- 4.3 In addition to these works the Council has also removed a water storage facility for the former bowling green and all water and toilet amenities from the former outdoor toilet block. Both of these are within the footprint of the community centre site proposed for community asset transfer.
- 4.4 Subject to successful completion of the community asset transfer, the proposed budget savings for the Haywood Road Community Centre cost centre will be £1,000 per annum based on 2019/20 budgets.

## **5 Appendices**

- 5.1 Appendix A: Equalities Impact Assessment
- 5.2 Appendix B: Building Viability Assessment
- 5.3 Appendix C: Haywood Road Community Centre Photo and Location Plan
- 5.4 Appendix D: Plan of Land Designated for Transfer

## **6 Background Papers**

6.1 Community Asset Transfer Policy

## **7 Reasons for Recommendations**

- 7.1 On 02 February 2017, Cabinet resolved to authorise officers to progress community transfer of Haywood Road Community Centre to a community group or organisation which meets the criteria outlined in the Council's Community Asset Transfer Policy.
- 7.2 The Gedling Plan 2019-20 includes the corporate action "Support Community Asset Transfer."
- 7.3 To facilitate a transfer of Haywood Road 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 Haywood Road Community Centre to Haywood Road Community Association.