

Report to Cabinet

Subject: Community Asset Transfer of Wollaton Avenue Community Centre to Gedling Play Forum.

Date: 18th April 2024

Author: Community Partnerships Manager, Community Relations Team

Wards Affected

All

Purpose

To obtain Cabinet approval for the community asset transfer of Wollaton Avenue Community Centre from Gedling Borough Council to Gedling Play Forum, by way of a 99 year full repairing lease.

Key Decision

This is a key decision.

Recommendation(s)

THAT:

- 1) In accordance with the Community Asset Transfer Policy, Cabinet agrees to the transfer of Wollaton Avenue Community Centre from Gedling Borough Council to Gedling Play Forum by way of a 99 year full repairing lease under a 'peppercorn rent' arrangement; and
- 2) Authorises the Chief Executive to approve the terms of the lease.

1 Background

1.1 Gedling Borough Council Community Asset Transfer (CAT) Policy

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 (CAT) Development programme

- 1.2 In developing the Council's CAT Policy, the Community Relations Team worked alongside a selection of local community organisations in support of their pursuit of community asset transfer. One of these groups was Gedling Play Forum, who have held a recurrent short/medium term lease with the Council for over 20 years, which includes full repairing and maintenance responsibilities for Wollaton Avenue Community Centre.

Gedling Play Forum Community Asset Transfer Submission

- 1.3 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 provided to the Council by way of a formal Community Asset Transfer submission.
- 1.4 A submission was received from Gedling Play Forum in March 2022. In consideration of this a Portfolio Holder for Corporate Resources and Performance decision gave approval for the Council to publish a formal public consultation on the proposal in December 2022.

The consultation was launched on 27th January 2023 and ended on 24th February 2023. There was one response to the consultation that was supportive of the proposal for Community Asset Transfer. This can be viewed at **Appendix A**. Concurrent with the consultation period, officers undertook an assessment of the proposal. The assessment incorporated the following elements:

- i. Viability of the building for Community Asset Transfer
- ii. Equalities Impact of the proposal
- iii. Review of the Gedling Play Forum submission to identify:
 - Robustness of financial planning to ensure ongoing maintenance

costs can be met.

- Future service delivery plans from the site – are they in line with the Council's Aims?
- Resilience of the organisation to take on further responsibility for managing the asset and to ensure ongoing safety of the general public when accessing the facility.

- 1.5 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.

Subject to lease negotiation and the establishment of an agreed Transition Plan, a peppercorn rent will be agreed for Wollaton Avenue Community Centre following assessment of Gedling Play Forum's business plan.

The business plan sets out the intention to provide:

- a creative resource centre and scrapstore
- family play activities at community events
- activities and workshops for organisations
- Group support: including access to the scrap-store and office services, drop in area and general support, signposting groups and individuals to further help and support
- volunteering opportunities
- a meeting space for partnership meetings and groups in need.

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.

- 1.6 Any subsequent lease agreement is subject to the successful completion of necessary facilities, legal and financial investigations and the delivery of an agreed transition plan for the community asset transfer.

An operational transition plan has been agreed by Council officers and Gedling Play Forum 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 Gedling Borough Council Property and Community Relations Services.

The Council's Legal, Finance and Property Services have investigated the robustness of the Gedling Play Forum Business Plan. Officers have also examined all relevant land issues, building and site covenants and current maintenance responsibilities, and the transfer of these have been agreed with Gedling Play Forum within the Draft Heads of Terms following a period of negotiation.

Draft Heads of Terms: Appendix B
Operational Transition Plan: Appendix C

1.7 Negotiating the terms of the lease

Officers have been negotiating the terms for the new lease agreement with Gedling Play Forum and a Head of Terms has been agreed in principle by both parties.

2 Proposal

2.1 It is proposed that:

- In accordance with the Community Asset Transfer Policy, Cabinet agrees to the transfer of Wollaton Avenue Community Centre from the Council to Gedling Play Forum by way of a 99 year, full repairing lease under a 'peppercorn rent arrangement'.
- The Chief Executive 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. However, Gedling Play Forum have been managing the site through a full repairing and maintenance lease for 20 years. This proposal seeks to maintain that principle but offer the organisation greater security of tenure with a long-term lease. This will enable the Play Forum as registered charity to access external funding opportunities for building improvements that usually require a minimum lease duration of seven years as an eligibility

criteria. This therefore offers added value potential for innovation and growth of services to the community, particularly as local authorities are not eligible for certain external funding opportunities.

- 3.2 A further alternative is to consider the site for disposal.

Wollaton Avenue Community Centre is in a prime location in an area of substantial community need. Retention of the centres' use as a community hub and creative resource for children, schools and wider family support organisations supports Council aims to develop and address the health, wellbeing and community resilience of that area.

- 3.3 Another option would be to effect community asset transfer of the Wollaton Avenue 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.

It should be noted that Wollaton Avenue Community Centre is adjacent to the former Sherwood E-Act Academy site which may be subject to proposals for future housing development. Agreeing to community asset transfer of the centre will remove the Council's option to dispose of this land.

4 Financial Implications

- 4.1 The external Community Ownership and Management of Assets funds previously received from the Cabinet Office in 2015/16 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. Gedling Play Forum has benefitted from this.

- 4.2 During the pre - transfer stages of the Community Asset Transfer transition plan, additional costs in the region of £2,738 were incurred in 2023/2024. Following a site assessment, these costs were deemed essential to ensure viability of the asset for transfer, and to support the transition of management from the Council to Gedling Play Forum.

The responsibility for further repairs will be transferred to Gedling Play Forum therefore there will be no further repair costs associated with the site.

- 4.3 Subject to successful completion of the community asset transfer, the proposed budget savings for the Wollaton Avenue Community Centre will

be minimal, around £1,120 per annum for legionella testing and Property Insurance. This is due to the existing lease held by Gedling Play Forum, which includes maintenance responsibility.

- 4.4 There are no staffing implications associated with this proposal, as the Gedling Play Forum has held caretaking responsibilities under successive medium / short term lease arrangements for over 20 years.
- 4.5 This transfer has been assessed in accordance with the Subsidy Control Act 2022 and legal advice has been sought due to the unclear guidance. The advice given is:

‘The Subsidy Control (Gross Cash Amount and Gross Cash Equivalent) Regulations 2022 provide that for a subsidy which is made other than as a grant, the gross cash equivalent amount is to be determined by reference to the value of the benefit conferred by the subsidy on an enterprise, taking into account the difference between (a) the terms on which the subsidy is given, and (b) the terms on which financial assistance of the same kind might reasonably have been expected to have been available on the market to the enterprise” (Regulation 4(2)).’

Therefore, the value of the subsidy has been calculated at £891,000, this is on the basis that the annual rental would be £9,000 per annum over the duration of the 99 year lease.

5 Legal Implications

- 5.1 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 community asset transfer would align with the legislation.
- 5.2 The successful Community Asset Transfer will be subject to a negotiation process and the agreement of a new, 99-year lease, setting out the rights and responsibilities of the Council and those of the Gedling Play Forum.
- 5.3 The proposed Community Asset Transfer of Wollaton Avenue Community Centre has been assessed in accordance with the Subsidy Control Act 2022. Gedling Play Forum are to receive a subsidy of £891,000.00 which has been calculated by the calculating the annual rent of £9,000.00 multiplied by the term of the lease which is 99 years. This value far exceeds the Minimal Financial Assistance (MFA) threshold and therefore a Principles Assessment is necessary before the subsidy can be lawfully

administered.

- 5.4 A principles assessment has been undertaken in accordance with the Subsidy Control Act 2022 and it is deemed to meet the criteria. As such the subsidy can lawfully be administered. The Principles Assessment is located at **Appendix D**.

6 Equalities Implications

- 6.1 An Equality Impact Assessment has been completed in respect of the proposal, attached at **Appendix E**.
- 6.2 Transfer of the facility will have a positive impact on the Council's Equality and Diversity Policy, by maximising use of the asset to extend the reach of much needed family support and diversionary activities for disadvantaged children and young people, diverse communities, vulnerable adults and older people.
- 6.3 In its Business Plan and other Community Asset Transfer submission documents, the Gedling Play Forum has demonstrated that it has robust policies and practices and strong partnership networks in place that will underpin and strengthen the values of equality and diversity in their use of the facility going forward.

7 Carbon Reduction/Environmental Sustainability Implications

- 7.1 A Climate Impact Assessment has been completed in respect of this proposal, attached at **Appendix F**.

This proposal will have a positive impact on the Council's Carbon Management Strategy by supporting the growth in use of recycled materials and raised community awareness of environmental sustainability good practice.

- 7.2 Gedling Play Forum has demonstrated the intention to utilise and implement sustainable energy strategies in their Community Asset Transfer Submission and Business Plan, both in the delivery of activities and in future developments to the facility.

Successful Asset Transfer will enable Gedling Play Forum to access external Capital and Revenue funding available to voluntary and community sector organisations for environmentally sustainable developments to the site.

8 Appendices

- 8.1 Appendix A: Consultation feedback

Appendix B: Draft Heads of Terms

Appendix C: Draft Community Asset Transfer Transition Plan

Appendix D: Principles Assessment

Appendix E: Equality Impact Assessment

Appendix F: Climate Impact Assessment

9 Background Papers

9.1 Community Asset Transfer Policy

10 Reasons for Recommendations

10.1 To enable the effective Community Asset Transfer of Wollaton Avenue Community Centre to Gedling Play Forum by way of a 99 year Lease arrangement.

10.2 To maximise the growth of craft and play services to children, families, people with disabilities, older people, schools and voluntary and community sector organisations.

Statutory Officer approval

Approved by: Scott Anderson

Date: 03/04/24

On behalf of the Chief Financial Officer

Approved by: Natalie Osei

Date: 08/04/24

On behalf of the Monitoring Officer