



## Cabinet 15 September 2010

### Community Centre Transfer (Sep10/11)

#### 1. Summary and Reasons for Recommendation(s)

- 1.1 The 2007 review of council owned community centres was the origin for the work which is taking place now to establish the framework in which community centres can be transferred into the ownership of the local community.
- 1.2 In May 2010 Cabinet received report B12 which outlined contact with the existing community associations running centres and other local voluntary and community groups and town councils. This contact resulted in an expression of interest being received from the Southgate Community Association working with the Southgate Church, now known as the Southgate Community Partnership (SCP) in relation to Southgate Community Centre. The report also outlined the support in kind for the transfer process which had been gained through the council's successful application for a place on the final round of the national Advancing Assets Programme. As part of that programme, officers and the SCP have been working with the Development Trust Association (DTA), the national group supporting community enterprise practitioners and groups which take on community asset transfers. The DTA have been providing a range of practical support to the SCP.
- 1.3 Although the focus of work with the DTA is the transfer of the Southgate Centre, the basis of the application to the Advancing Assets Programme was that transfer would be used to develop an overall model which would be applicable to the transfer of other centres. To develop that model the DTA has encouraged the council to develop the "Expectations Document" attached as Appendix 1. The document clearly lays out the expectations the council has of any voluntary or community group coming forward to take on a centre, how those expectations can be met and the support which the council will offer the organisation. Attached at Appendix 2 is a working project plan which applies those expectations to the transfer of the Southgate Community Centre.
- 1.4 As background, Appendix 3 contains the working principles agreed in May and which have formed the basis of discussions with the SCP to date.

#### 2. Recommendation(s)

- 2.1 It is **RECOMMENDED** that:-
- (1) full Council endorse the "Transfer of council-owned community centres to community ownership – Expectations Document" attached as Appendix 1 to Report B203 as its adopted framework for working towards the transfer of community centres;
  - (2) the project plan attached as Appendix 2 to Report B203 be agreed as the working timetable and basis for work towards the transfer of Southgate Community Centre to the Southgate Community Partnership, subject to the partnership satisfactorily meeting the milestones listed in the plan;

- (3) delegated authority be given to the Corporate Director Community Services, in consultation with the Portfolio Holder for Community Safety, to receive updates and determine whether the various milestones have been satisfactorily met;
- (4) where milestones have not been satisfactorily met, further negotiations take place with the Southgate Community Partnership, or the issue to be referred to Cabinet; and
- (5) the final decision on transfer be brought back to the Cabinet for consideration and a recommendation to full Council.

### **3. Corporate Objectives**

3.1 The recommendation(s) meet the following, as contained within the Corporate Plan:-

- (a) Corporate Priority: *'Improving the safety and well-being of the community'*; and
- (b) Cabinet Commitments: *Provide a strong voice for west Suffolk, specifically the community cohesion element'.*
- (c) Vision 2025: St Edmundsbury will be a place which: *Leisure and Culture - Where all residents live within walking distance of recreational and countryside activities.*

#### **Contact Details**

Name

Telephone

E-mail

#### **Portfolio Holder**

Cllr Robert Everitt

01284 769000

[robert.everitt@stedsbc.gov.uk](mailto:robert.everitt@stedsbc.gov.uk)

#### **Lead Officer**

Cathy Manning

01284 757002

[cathy.manning@stedsbc.gov.uk](mailto:cathy.manning@stedsbc.gov.uk)

#### **4. Key Issues**

- 4.1 At the conclusion of the 2007 review of Community Centres, the Cabinet expressed its desire to see a move away from dependence on the council for the provision and maintenance of local community centres. This was in the context of the Quirk Report recommendations that community facilities are best owned and run by local people. Through its advocacy of the "Big Society" the coalition government has signalled its commitment to empowering local communities to take control of the delivery of local services and for local communities to be more self-sufficient/less reliant on government at all tiers. With the national discussion about the Big Society going on, the development of the "Expectations Document" setting out what a local voluntary or community group needs to do in order to take on a community centre asset is timely.
- 4.2 To develop the Expectations Document officers have drawn on examples of good practice provided by the DTA. Although the number of plans required to support the business planning process could appear onerous, in reality the plans do not have to be lengthy documents and could be incorporated into the overall business plan. However, the council does have to be assured that any organisation applying to take on a centre understands its responsibilities in areas such as maintenance, health and safety, and equality and diversity, as well as having a strong commitment to working to meet the needs of the local community. If these documents are not in place, or are not robust, the council cannot be satisfied that the transfer of the asset would meet the General Disposal Consent (the power under which the council can transfer a centre at less than market value because of the community benefit).
- 4.3 On 26 May 2010, Cabinet committed to the principle of transferring the Southgate Centre to SCP (Report B12 refers). The project plan attached at Appendix 2 is a working document which phases the different elements of work required to meet the expectations of the Council. At the end of each phase the outcomes of it and the documents produced as a result will be accessed to establish that they are robust and give the council the necessary assurance that SCP will meet the expectations of the council. It would not be practical or desirable for each phase to be signed off by the Cabinet so paragraphs 2.1(3) and (4) provide for delegated authority to allow the Corporate Director for Community, in consultation with the Portfolio Holder for Community Safety, to assess progress against the timetable, with exception, reporting to Cabinet on issues which cannot be resolved through negotiation with SCP. As the timetable is a working document there may be some movement as to when the phases are completed but this would be kept under review at an operational level. Any significant changes which would impact on the overall delivery of the timetable would be reported to Cabinet as part of the exception reporting under the delegated authority.
- 4.4 In response to Report B12, Cabinet agreed that the transfer would be as a sale at a nominal value, provided the community interest had been established. The final decision to effect the transfer will be brought back to Cabinet for it to make a recommendation to full Council. The decision making timetable for this, provided the expectations are met in line with the current timetable, is that the final report recommending transfer would be brought to the Cabinet meeting on 16 March 2011, so that the Cabinet can forward a recommendation to full Council on 5 April 2011.

#### **5. Other Options considered**

- 5.1 Report B12 in May outlined the options considered in relation to centres. As this report relates to the development of the Expectations Document and the practicalities of working with SCP on the transfer of the Southgate Centre options other than that are not dealt with here.
- 5.2 The Council remains committed to working with all the Community Associations,

particularly if they feel there are areas in which they need to develop their skills.

**6. Community impact** *(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)*

6.1 General

6.1.1 As the rationale for looking at the transfer of the centres is to maintain them and give local people the flexibility to develop them in new and different ways as a minimum there should be no adverse community impact. Experience elsewhere, both at the Anselm Community Centre in Bury St Edmunds and at other community owned facilities around the country, is that a successful transfer results in much stronger community involvement in the centres and provides local people with a variety of new opportunities to develop skills which they can transfer to other aspects of their lives.

6.2 Diversity and Equality Impact *(including the findings of the Equality Impact Assessment)*

6.2.1 It is a prerequisite of any transfer that the body taking on the asset should have a strong commitment to equality and diversity. This is made clear in the Expectations Document attached at Appendix 1. When the business planning phase of the timetable has been completed officers will undertake an Equality Impact Assessment of the proposed transfer based on the documentation produced by SCP.

**7. Sustainability Impact** *(including environmental or social impact on the local area or beyond the Borough)*

7.1 As outlined in Report B12, it is anticipated that a successful transfer will have a beneficial impact on the local community. The aims, objectives and constitution of any organisation taking on a centre will be thoroughly scrutinised to ensure that the interests of the local community are at the heart of the new organisation. As part of any transfer a community needs survey will be undertaken to establish that the group taking on the centre will be meeting the needs of the local community it serves.

**8. Consultation**

8.1 As indicated at paragraph 7.1, where a centre is being considered for transfer, a community needs survey has to be carried out and the outcomes of that survey must be reflected in the business planning for the centre. In addition the council will need to be satisfied that the governance arrangements of any group taking on a centre ensure that local people have a voice and a clear means of engaging with the group running their centre.

**9. Resource implications** *(including asset management implications)*

9.1 Clearly the transfer of a community centre to local ownership will result in some modest savings to the council in the short-term, and in the longer term removes the requirement to plan for future maintenance costs. Whilst this is a consideration in the decision to make community centres available for asset transfer the impetus for transfer is to give local communities total control of their centres and the future development of them.

9.2 For the Southgate transfer the place gained on the Advancing Assets programme has brought in-kind support for the process which has increased the resource available to both SCP and the council. This has allowed the council to develop this work without having an adverse impact on other community development work.

**10. Risk Assessment** *(potential hazards or opportunities affecting corporate, service or project objectives)*

10.1

Risk area	Inherent level of Risk (before controls)	Controls	Residual Risk (after controls)
Potential alienation of sections of the community as a result of the proposal to look at transfer.	Medium	Early and wide consultation. Holding face to face meetings. Provision of a myth-buster sheet to tackle unfounded rumours. Long term commitment to work with community associations. Progressing a transfer with the group which have volunteered to take on a centre. Using the Advancing Assets programme place to develop a template for a successful transfer.	Low
That any transfers are unsuccessful	Medium	Progress transfer with a group which is committed to the process. Use the Development Trust Association expertise to avoid potential pitfalls/learn from previous experience. Development of the Expectations Document	Low

**11. Legal or policy implications**

11.1 The decision to investigate a community asset transfer is in line with the outcomes of the Quirk Report and with the coalition government's advocacy for a "Big Society" in which local people take more control and responsibility for local services.

11.2 The council's legal staff will be fully involved in the detail of any individual transfer.

<b>Ward(s) affected</b>	St Olaves, Minden, Southgate, Haverhill East and Haverhill South	<b>Portfolio Holder(s)</b>	Councillor Everitt Community Safety
<b>Background Papers</b>	Letters to community associations, leaflet circulated to all interested parties and voluntary and community groups, previous committee reports	<b>Subject Area</b> Economy Leisure, Sports, Arts and Culture Property Management	

**St Edmundsbury Borough Council**  
**Transfer of council-owned community centres to community ownership**

**Expectations document**

**Background**

Although the concept of community asset management has been around for nearly ten years, the Quirk review of 2007 looked in detail at the transfer of public assets to community management organisations.

The rationale behind the report is that communities are transformed if people are empowered to deliver locally-owned, determined and managed services and activities. Local people can become inspired, and attitudes and behaviours change from reliance on others to self-sufficiency.

**The proposal**

St Edmundsbury Borough Council is proposing to offer ownership of its five community centres (Chalkstone and Leiston in Haverhill; Westbury, Newbury and Southgate in Bury St Edmunds) to organisations that share the same ethos for the centres. The aim is to provide community buildings for local people and local activities at reasonable cost, and also to develop new management organisations that will be innovative and proactive in looking for new ways of delivering services and activities.

This transfer of assets will require organisations taking over ownership to agree to keep the buildings in good repair, and ensure they are open and accessible to all sections of the community. The organisation's Memorandum and Articles of Association will need to set out how it expects to achieve this.

**Benefits of community management and ownership**

The benefits of community ownership are varied.

- Community-based organisations have a vested interest in the upkeep of their local centres, while the council has to balance the needs of each and allocate funds fairly to them all.
- Community-based organisations can also access sources of finance that are not available to the council.
- By improving the building through re-investing some of the profits made from hiring, the centres become more attractive, increasing bookings and therefore creating a cycle of higher numbers of bookings and greater investment.
- By generating income, community-based organisations are able to work with partners to support a greater variety of activities which meet the needs that local people have identified themselves.
- People from different backgrounds can come together, developing trust and understanding.

- People involved in the running of such an asset often experience increased levels of self-confidence and gain valuable skills which can result in enhanced employment and education opportunities.
- Surpluses generated stay in the local community so that local success can be used as a building block to breed further success.
- New partnerships and networks can be developed, opening up fresh opportunities

### Who can take on community centres?

A wide variety of organisations could effectively run community centres, but the council would expect them to have a clear and direct connection with people in their local community. They could include, for example, community associations, registered providers (housing associations) or local charities. They could apply to take on the ownership of any number of the centres, providing they can demonstrate they have the relevant skills and capacity to do so.

New organisations formed for the purpose of running community centres could be set up as social enterprises, which would run the centre(s) as a business, with any profit generated going back into the asset or community (for example, through more or better activities, services or events).

Parish and town councils could also apply to take over the centres, although the funding they would be able to access would be limited to that available from the precept. This document therefore focuses on transfer to a community group.

### Risks

The Quirk report recognised that, as with all enterprising activity, there are risks but that these risks can be managed. It is therefore important that both the council and the organisation wanting to take over ownership are sufficiently equipped to understand, assess and manage the risks that are involved in asset transfers.

The table on the next page identifies some of the most likely risks, together with potential solutions.

Risk	Potential solution
Community-based organisation does not have the capacity/skills to take over and manage the asset.	Study expectations document at the outset with the organisation and agree whether they have the skills to develop: <ul style="list-style-type: none"> <li>• detailed business plan;</li> <li>• audit of existing skills;</li> <li>• management plan;</li> <li>• training and development plan to help build skills;</li> <li>• ongoing management plan;</li> <li>• marketing plan</li> </ul> (The plans listed above may be sections in the business plan, not separate documents.) Agree at the outset the level of support from council staff.
The ability of the council to support a particular project is limited by state aid rules or other restrictions, or legal	Identify at the start of the process any issues that need to be tackled and allow enough time in the transfer programme

constraints which will impact on organisation's operation of the asset.	to resolve them.
Inability of the organisation to manage the asset effectively.	Robust business planning identifying revenue streams and the responsibilities of the organisation.
Asset not used in public interest; taken over by an unrepresentative or unaccountable minority; access to the asset is not inclusive.	This aspect must be included in the organisation's Memorandum and Articles of Association.
Organisation is not able to invest in the asset to meet its longer term liabilities for upgrading and regular maintenance.	Robust long-term business and other plans. Organisation has demonstrated appropriate financial skills or access to them. Minimise liabilities through appropriate legal structures.
Reliance of smaller organisations on volunteers through lack of resources or professional/ support staff.	Adequate support/advice on organisational structure and management. Use of role descriptions for trustees.
Organisation has not identified how it will empower and involve their local community.	Organisation needs to undertake community needs survey to assess the needs/interests of the community. Develop partnerships with other groups, with results reflected in the business plan.
The council does not have resources to support the initiative.	Set out role of local authority in the expectations document and council to plan for it.



To tackle these risks the council will expect an applicant looking to take on a community centre to be:

- community-led. This means, its governance arrangements must ensure that it has strong links with the local community and that members of the community are able to influence its operation and decision-making processes;
- a voluntary or community sector ('third sector') organisation. This means it must be a legal entity which:
  - must exist for social/economic/environmental benefit of the community to comply with the terms of the General Disposal Consent (the power under which the council can transfer a centre at less than market value);
  - is a not for private profit-making organisation;
  - has community benefit objectives;
  - must be appropriately constituted, for example, a registered charity, a community interest company, a charitable incorporated organisation, a not-for-profit company or a co-operative. The constitution must allow the management/ownership of buildings and the provision of services and income generation activity;
  - demonstrates good governance by operating through open and accountable co-operative processes, with adequate monitoring, evaluation and financial management systems;
  - imparts confidence in its ability to effectively deliver services and manage the asset;
  - embraces diversity and works to improve community cohesion and reduce inequalities;
  - abides by the principles and undertakings as set out in the Suffolk Compact<sup>1</sup>
  - demonstrates management experience or expertise;
  - has management proposals which include a specific plan on health and safety, building maintenance issues and compliance with legislation and any statutory requirements arising from ownership or management of the building and/or running a service;
  - demonstrates how they will tackle any need to build capacity within their organisation;
  - has a clear purpose and understanding of the activities it wishes to deliver.

## Expectations

In particular, to ensure the community centres remain viable and sustainable assets for the local community, we (the council) would expect you (a potential management organisation interested in running a centre) to meet the following principles.

- **Have a strong commitment to equality and diversity**

This means that your organisation would not restrict access to the centre on grounds of gender, age, disability, race, religion, sexual preference or sexuality, or background. You would be expected to have a statement or policy in place to demonstrate this.

- **Be prepared to produce a business plan**

A business plan sets out what you will do, when you will do it and how you will achieve it. For example, you may want to decorate one of the rooms in the building each year. How will this be funded? How many activities will happen in the centre each week? Who will you work with to encourage a diverse programme of activities? What skills do you need and how will they be secured? You will need the business plan once we agree in principle to the transfer.

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<sup>1</sup> The Suffolk Compact is an agreement between the statutory and voluntary sectors operating within the county and mirrors the National Compact. Copies can be obtained from [http://www.savo.co.uk/files/Compact/SUFFOLK%20COMPACT%202006%20version%201\\_3.doc](http://www.savo.co.uk/files/Compact/SUFFOLK%20COMPACT%202006%20version%201_3.doc)

- **Able to show a commitment to providing local people with an accessible venue for a variety of activities**

We need to ensure the centre will be used for the correct purpose in the years to come. For example, the building cannot be taken over by one interest group. You will need to tell us how you will do this.

- **Willing to work in partnership with other organisations, whether statutory, voluntary or commercial**

You can achieve a great deal through working with other organisations. A statement within your constitution needs to set out this aim.

- **Will have a committee/board of trustees which is open to local people to join**

It is important that your committee includes representatives of the community in which the centre is located. People have a greater commitment to a project when they feel they are fully involved.

- **Have access to some funding to cover legal costs**

This can be raised either from existing budgets in the case of an established organisation, through one of the various grants set up to assist with the transfer (although as with all grants, this cannot be guaranteed) or through a loan. There are various sources of help on this matter, such as the DTA<sup>2</sup> and other providers and it is also worth noting that some professionals may offer free help to a charitable organisation.

### **How the community centre will be used**

The way the centre is run and used should be consistent with the vision of local people in terms of community cohesion and the sustainability of their neighbourhood. It will ensure extensive and inclusive reach into the community and will be open to all. It is expected that the organisation will maximise opportunities for income generation to ensure sustainability, for example, through social enterprise and the hiring of space and facilities. Any projects or services which are proposed need to be in response to both a local need and demand.

### **Business plan and finance**

Any applicant must be able to demonstrate they have a clear rationale, backed by a robust business case, which illustrates how they intend to manage the asset effectively – this is fundamental to the success of any transfer. This needs to include an assessment of the financial and organisational capacity of the organisation applying for ownership. The DTA recommends the questions to which the council will need answers when assessing the business plan. These include the following.

- How has the need for proposed transfer and use of the asset been identified?
- What will be different and what benefits will the community see as a result of the transfer?
- What is the capacity of the organisation wanting to acquire and manage the asset, including what accreditation does it have (such as Community Matters 'VISIBLE'<sup>3</sup> standards or Development Trust Association 'healthcheck')?
- What does the business case say about future uses for the asset, such as cashflow forecasts?

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<sup>2</sup> DTA – Development Trust Association is a support network of Community Enterprise organisations. Link: [Development Trust Association | Home](#)

<sup>3</sup> VISIBLE – the nationally accredited quality standard for community organisations

- What plans are there for building capacity and how will they be delivered?
- Are appropriate governance documents in place prior to transfer which cover the future use of the asset?

A business case will clearly need to identify:

- projections of the costs of managing and operating the asset over three years and the plans to fund the necessary revenue and capital costs;
- an understanding of realistic costs for the maintenance, and investment into the property, including complying with health and safety responsibilities;
- a community governance structure which demonstrates the organisation has the capability to sustain the asset transfer and plans to develop the capacity of the organisation where necessary;
- where transfer is requested at less than market value the applicant has met the terms of the General Disposal Consent to justify the subsidy;
- any sources of finance the asset transfer might release or attract;
- realistic plans for delivering services and managing the property;
- financial sustainability and forward planning.

### **What you could expect from the council**

The council does not expect local people to take on the responsibility of running a community centre without significant support from staff and partners. As a minimum, the council would offer support in these areas:

- guidance on writing a constitution;
- support in identifying help on writing a business plan
- access to in-house training on issues such as health and safety and finance;
- access to property advice, which will taper off over time;
- on-going support and advice from the Community Development Unit;
- a dedicated contact person at the council;
- assistance with applications for funding from other organisations;
- publicity through the council website page for local community venues for hire.

## Summary

The organisation wanting to take over ownership will need to have certain documents in place before any transfer is completed. Below is a summary of what each document will need to include<sup>4</sup>:

Document name	To include:
<b>Business plan</b>	Evidence of skills audit and how it supports the organisational development plan
	Realistic projections of future revenue streams
	Results of a community needs survey and how this is reflected in the operational plan for the organisation
	The balance of skill within the management organisation/trustees and where increased capacity is needed
	Monitoring procedures
<b>Memorandum and articles of association (or other form of governing document)</b>	The charitable objects of the organisation (if applicable)
	Open membership to the organisation and committee
	The powers of the organisation
	How the future use of the building will be protected for the public
	How the property will be secured in the longer term
	What the community empowerment objectives of the organisation are
	How often meetings will be held and what the proceedings will be
What plans there are for partnership working	
<b>Supporting documents</b>	Equality and diversity statement
	Safeguarding policy children and vulnerable adults
	Mission statement
	Community needs survey

St Edmundsbury Borough Council  
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<sup>4</sup> Further information and Model documents can be found at the Charity Commission website [The Charity Commission for England and Wales](http://www.charitycommission.gov.uk)

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## SOUTHGATE COMMUNITY PARTNERSHIP Project phasing for discussion on 25 August 2010

Asset Transfer Project Plan	Completed	Comments	Due by (assuming a transfer of April 2011):								
			10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11
Pre-feasibility	✓										
Needs analysis / rationale											
Cost of any works which may be required		Include extension?									
Create an impact baseline											
Business plan											
Finance strategy											
Ownership agreement											
Financial management											
Risk Management											
Health and safety											
Security											
Safeguarding policy C & VA*											
Maintenance programme											
<b>Resourcing</b>											
Securing project feasibility finance	✓										
Securing finance		Extension?									
Grants		Extension?									
Loans		Extension?									
<b>Stakeholder Management</b>											
Strategic fit											
Community involvement		Ongoing									
Partnership building		Ongoing									
Building networks		Ongoing									
Measuring impact		Ongoing									
<b>Operational management</b>											
Defining purpose											

Skills Audit/Organisational development											
			10/10	11/10	12/10	01/11	02/11	03/11	04/11	05/11	06/11
Suitable organisation/company structure	✓										
Governance structures and accountability											
Managerial competence	✓										
Policy development											
Staff recruitment		As appropriate									
Staff development		As appropriate									
Developing new facilities and services		Ongoing									
Developing new enterprise opportunities											
<b>Premises Management</b>											
Ongoing consultation with users/hirers		Ongoing									
On-going market research		Ongoing									
Review usage and management data		Ongoing									
Assess impact		Ongoing									
<b>External</b>											
Community Needs survey											
Consultation on plans with the community											
Build on relationship with the LA											
Understand social need											
Liaison with Planning & Building Regs		If required									
Impact of construction on local area		If required									
Marketing/promotion											

\* Children & Vulnerable Adults

Working principles (Extract from the B12 report in May 2010)

- 4.4.1 That a letter of intent and heads of terms be provided to any organisation with which the Council is progressing serious negotiations at the earliest opportunity. This is consistent with the Council acting in an open and transparent way and ensuring that the necessary steps have been taken to gain assurance that any group seeking to take on an asset is appropriately constituted and has a sound business case founded on serving the interests of the local community.
- 4.4.2 That, subject to the Council not foreseeing a need to retain grass/land immediately surrounding community centres, the initial assumption be that such land can be considered for a potential transfer as amenity land. Final decisions will need to be looked at on a case by case basis.
- 4.4.3 Any land transferred to be subject to legal safeguards to ensure that the interests of the community and the Council are protected.
- 4.4.4 That the council's initial approach is that the community asset transfer would be in the form of a sale at a nominal fee, provided that the community interest case had been made. However, with the input of the Development Trust Association, other options will be considered if appropriate.
- 4.4.5 That the council provide tapering soft support to community-based organisations taking on an asset in areas such as health and safety, finance and building maintenance.