



Cabinet 16 March 2011

Transfer of Southgate Community Centre (Mar 11/09)

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| <p>1. Summary and Reasons for Recommendation(s)</p> <p>1.1 In 2006/2007 the Cabinet asked the former Policy Development Committee to conduct a review of community centres: <i>'in accordance with the Council's Asset Management process, to ascertain if the Community Centres were fit for purpose and to identify the funding and management options which would most effectively and efficiently meet the long term needs of local communities and Council corporate priorities.'</i> This review resulted in Cabinet accepting the recommendation (Minute 65 (2) 19 September 2007 refers): <i>'that the long-term aim of the Council is for all of the Community Centres to have a greater degree of community involvement in their management and to become more financially independent'</i>.</p> <p>1.2 In Autumn 2009 officers contacted all the Community Associations regarding future models for the centres with a view to encouraging the asset transfer of community centres. Between January and March 2010 a leaflet was circulated to local voluntary and community groups, churches, schools and other public bodies to let the wider community know that the Council was willing to transfer its centres to appropriate community groups. This activity was reported to the Cabinet on 26 May 2010 (Paper B12 and Minute 12 refer).</p> <p>1.3 As a result of that activity a new group came together in Southgate, Bury St Edmunds, the Southgate Community Partnership (SCP) formed by the Southgate Community Association and Southgate Church. This group has been working towards the transfer of the centre.</p> <p>1.4 On 28 September 2010 the Council approved a formal Expectations Document (Minute 52(B)(3) refers) capturing the requirements it had of any organisation seeking to take on a community centre via an asset transfer. This document has guided subsequent work with SCP.</p> <p>1.5 SCP is in the final stages of its business planning and production of the policies needed to comply with the Expectations Document. This report seeks in principle agreement to the transfer, with delegated authority to progress the final details.</p> |
| <p>2. Recommendations</p> <p>2.1 Subject to approval by full Council, that:-</p> <p>(1) the principle of transferring at nil value the freehold of Southgate Community Centre to the Southgate Community Partnership is agreed, subject to the Partnership:-</p> <p>(a) completing its business planning;</p> <p>(b) demonstrating that it has in place the necessary policies and procedures to meet</p> |

the requirements of the Expectations Document of September 2010; and

(c) accepting in the transfer of the property sufficient safeguards to ensure that the centre remains in community use.

(2) The Corporate Director for Community Services, in consultation with the appropriate Portfolio Holders for asset management and community, be given delegated authority to confirm that the requirements of the Expectations Document and safeguard measures have been met and to, thereby, approve the transfer.

3. Corporate Objectives

3.1 The recommendations meet the following as contained within the Corporate Plan:-

- (a) Corporate Priority : *'Improving the safety and well-being of the community'*
- (b) Cabinet Commitments : *'Providing a strong voice for West Suffolk – particularly the community cohesion element'*
- (c) Vision 2025: St Edmundsbury will be a place where : *'all residents live within walking distance of recreational and countryside activities'*

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4. Key Issues

- 4.1 The SCP has now registered as a company limited by guarantee and is in the process of registering for charitable status. SCP is in the final stages of producing a business plan which both meets the requirements of the Council's Expectations Document and responds to the outcomes of the community survey conducted by the Partnership in Autumn 2010. A review meeting was held on 15 February 2011 to assess the progress of SCP against the project plan for the transfer originally laid out in September 2010 in Report B203 and approved by Council on 28 September 2010 (Minute 52(B)(3) refers). The business plan was available in draft form with only one section, that on marketing and publicity, still requiring significant further work. A number of other documents listed on the project plan have still to be produced but officers are working with members of the Partnership to progress the production of these documents. None of them are onerous to produce and the meeting of 15 February 2011 allocated SCP leads for each of them. Two further meetings have been set for March and April 2011.
- 4.2 In the light of this work the Partnership has indicated that their preference is for a 1 June 2011 transfer and officers believe this is a realistic timescale.
- 4.3 This first transfer of a community centre is an important demonstration of the Council's preparedness to see all local communities truly in control of their own centres with the freedom to develop them as they see fit in the interests of the local residents. In the case of the Southgate Centre a number of new activities have already been identified which SCP anticipates starting from September 2011. These activities reflect some of the outcomes of the community survey, which the Partnership completed in the Autumn of 2010 and which has informed their business planning. The activities include dance classes, carpet bowls and an over 55s drop-in centre. As well as these 'quick win' new activities, which both meet community needs and create additional income, the Partnership is looking at longer term developments which will be reflected in Year 2 and 3 activities being developed for the business plan.
- 4.4 The work done in preparing for transfer has been supported by the Development Trust Association (DTA), through a place the Council secured on the final round of the national Advancing Assets programme. This has given some financial support to SCP and considerable support in kind in the form of independent professional advice. In working with the SCP the intention has been to develop a good practice model for transfer the key elements of which are applicable to other transfers.
- 4.5 The group have also received assistance via their County Councillor's locality fund.

Asset Management Considerations

- 4.6 The Council's adopted process for AMP reviews includes community management and ownership of assets. Local Authorities may dispose of land at a consideration that is less than the best that may reasonably be achieved, for reasons of economic, social and/or environmental well being of the area. This General Disposal Consent (Circular 06/03, 2003) applies to sales at undervalue of up to £2 million. The Council may then choose to sell the land to a community organisation at any price between £nil and the market value of its property interest, if it can justify this decision on well being grounds.
- 4.7 The Council already in effect allows the community organisations to occupy the premises at nil rent. The Council retains responsibility for external and structural repairs. In the existing use, the asset could be seen to have a negative value. Therefore from a financial/property perspective there is no real impact if the asset is transferred at nil value. If transferred on this basis, the Council would insist on protection through sufficient safeguards to ensure that the centre remains in community use.

5. Other Options considered
5.1 The Asset Management Plan (AMP) process adopted in 2002 appraises the options of:- (i) no change; (ii) dispose of asset and (iii) work in partnership.
5.2 These options have previously been considered and disposal of the asset meets the resolution of stronger community independence identified in paragraph 1.1. Not to transfer the freehold of the centre would create unacceptable financial pressures of budget setting.

6. Community impact <i>(including Section 17 of the Crime and Disorder Act 1998 and diversity issues)</i>
6.1 <u>General</u>
6.1.1 The transfer of the centre to local community ownership should be of benefit to the community generally, putting it on a par with the vast majority of similar community buildings in the Borough. The Partnership will be free to develop the centre as they see fit in response to feedback about the kind of services local residents wish to see provided. This is already being seen in the Year 1 activities listed at 4.3. It is also the intention of the Partnership to involve a larger section of the local community in the running of events at the centre. These individuals and those in the Partnership are all extending their knowledge and skills as they take on these new roles. In the long term this can only be of benefit as they use these transferable skills in support other voluntary and community activities. A community group will also be able to access funding not available to the Borough Council.
6.2 <u>Diversity and Equality Impact</u> <i>(including the findings of the Equality Impact Assessment)</i>
6.2.1 The Expectations Document listed as a requirement that any organisation taking on a centre must have in place an equality and diversity policy, which ensures that there is access to the centre for all parts of the community. As a result the Equality Impact Assessment carried out on the transfer identified no negative impact on any equality target groups and the potential for benefit as outlined at 6.1.1. For example, the Partnership is investigating the provision of a grant funding to install a disabled hoist in the toilets to improve accessibility for wheelchair users.

7. Sustainability Impact <i>(including environmental or social impact on the local area or beyond the Borough)</i>
7.1 In environmental terms, the Partnership has been keen to take on an additional grassed area outside the centre in order to allow for a small community open space associated with the centre and possible future development of a community cafe. SCP will also be in a position to access any grants available to voluntary and community groups to help them improve the thermal efficiency of the building and reduce the carbon footprint. See comments at 6 above on the social impact.

8. Consultation
8.1 A leaflet inviting expressions of interest in the asset transfer of the community centres was extensively circulated between January and March 2010 to ensure wide knowledge of the Council's desire to look at this model of provision. In addition, there was direct contact with all the community associations and any other bodies likely to be interested or which requested further details. Officers have also briefed local Ward Councillors, the County Councillor and Cabinet. The SCP has conducted a community survey in the Autumn of 2010, which attracted 80 responses with half being from groups or individuals who do not currently use the centre.

- 9. Resource implications** *(including asset management implications)*
- 9.1 The transfer will be achieved within existing budgets. As indicated above, external resource has been brought to the process through the Advancing Assets programme, which has provided assistance and in-kind support to the SCP.
- 9.2 There are modest savings to the Community Directorate budgets which grant aids the costs. In the long term there will be savings relating to ongoing maintenance costs. However, over the last six years the Council has invested considerable monies in upgrading the fabric of all its centres so in the short term there are only modest savings on routine maintenance costs.
- 9.3 A sale under community management and ownership considerations would not result in a loss of rent, as in effect, no rent is paid. It would enable the SCP to become more financially independent in the future.

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)
	High/Medium/Low		High/Medium/Low
That SCP do not complete the business planning and other documentation to the satisfaction of the Council.	Low	The current timetable for transfer was proposed by SCP, not imposed on them. Officers remain in contact with SCP to ensure that the requirements are met before any assessment is made.	Low
That the SCP is not a robust partnership.	Medium	External advice on the form the partnership should take and its governance have been supplied by DTA. Regular meetings with officers have been taking place in preparation for transfer.	Low
That the SCP folds.	Medium	The Expectations Document of September 2010 makes clear there that there is continued soft support to any community group taking on a centre. Officers would work with SCP to avoid failure if at all possible. However, if the group were to fold as a registered charity their assets could be transferred to another registered charity with the same type of registered charitable purposes, thus ensuring the facility remains available for the community.	Low
Not to take the freehold option forward would be a missed opportunity to promote the development of community ownership community sector.	High	Council pledges support to scheme and assists in its development.	Low
Cost of managing the premises puts financial pressure on the SCP.	Medium	Adoption of a realistic business plan.	Low
SCP does not accept the freehold transfer option.	Medium	SCP management support for this option.	Low

11. Legal or policy implications
11.1 The Corporate Property Officer is in the process of drafting Heads of Terms for the transfer of the centre. Whilst other asset transfers to community groups include strict restrictions about not trading commercially in this case those restrictions need to be tempered, as the Council wishes to see the centre trading successfully in order to sustain itself in the longer term. However, the transfer of the freehold will provide sufficient protection of the community interest but will also allow SCP the flexibility to operate in ways which will enable it to grow the business of the centre.
11.2 The recommendation to transfer the freehold interest is within the Council's Asset Management Policy option of community management and ownership of assets.
11.3 The proposed sale at less than best value is in accordance with the General Disposal Consent 2003, which gives authorities freedom to exercise discretion in the disposal of their land at less than the best price (s 123 of the Local Government Act 1972), on grounds of the promotion or improvement of economic, social and/or environmental wellbeing.

Wards affected	All Bury St Edmunds	Portfolio Holders	Bury St Edmunds and Community Safety and Economy and Asset Management
Background Papers Previous reports to Cabinet on community centre transfer, reports B12 and B203 Community Centre Transfer Leaflet February 2010		Subject Area Property Management Corporate Plans and Strategies	