

## ROTHERHAM BOROUGH COUNCIL - REPORT TO MEMBERS

1.	<b>Meeting</b>	<b>Cabinet</b>
2.	<b>Date</b>	<b>20<sup>th</sup> July 2011</b>
3.	<b>Title</b>	<b>Richmond Park Community Building</b>
4.	<b>Directorate</b>	<b>Environment and Development Services</b>

### 5. Summary

On the 14<sup>th</sup> December 2009, Minute Number 106 refers the Cabinet Member for Housing and Neighbourhoods approved the transfer of the Richmond Park Community Building to the Richmond Park Tenants and Residents Association (TARA).

Since the approval to lease the building was granted, further progress has been made with the Council Community Asset Transfer Policy and the TARA have therefore requested that we re-consider the previous decision to enable the building to be leased at a nominal rent to comply with the policy proposals.

Following further work and investigation, this report seeks approval to lease the building to the TARA on a ten year nominal rent basis ahead of the adoption of the Community Asset Transfer Policy due to the deteriorating condition of the building and ongoing liability to the Council.

### 6. Recommendations

**That:**

- **Cabinet note the contents of this report in consideration of the proposed asset transfer policy**
- **The Director of Asset Management negotiates the lease for a term to be agreed and monitors compliance with the terms of the lease with regards to the asset transferred further to a Service Level Agreement with Neighbourhoods & Adult Services**
- **Legal and Democratic Services complete the necessary documentation**
- **Housing and Neighbourhood Services provide the necessary support and monitor the community outcomes of the project for the duration of the lease**

## **7. Proposals and Details**

In accordance with Cabinet Minute B57, 11<sup>th</sup> June 2003, a business case was produced jointly by the TARA and Housing and Neighbourhood Services to enable the building to be leased on a subsidised rent basis for a three year period due to the condition of the building. This agreement complies with the Councils existing Asset Transfer and Disposal Policy.

However, the TARA are concerned about the level of rent and investment requirement associated with the building. They have therefore asked us to re-consider the previous decision and an opportunity exists to grant a lease under the provisions of the revised community asset transfer policy as discussed previously at CSART and Cabinet Meetings.

Appendix 2 provides information on the TARA, their capacity to manage the building and the benefits of transfer to them.

### **7.1 Recommendations and Compliance with the Proposed Community Asset Transfer Policy**

The building is in a poor condition, under utilised and operating at a deficit. It is located within a garage site with no foreseeable commercial disposal value.

Therefore it is recommended that the building is transferred to the TARA on a full repair and insuring nominal rent basis to remove the ongoing liability from the Council.

The TARA have investigated external funding opportunities to enable them to undertake investment and have established that most funding sources require a ten year lease prior to considering a request.

The TARA proposals have been assessed against the draft community asset transfer policy criteria.

The proposals if implemented in line with the proposed revised policy for the transfer of assets will provide a test case for this policy.

## **8. Finance**

During 2010/11 the building was hired out by the TARA for approximately 4 hours with a £26 income and the associated running costs with the building are approximately £1398 per annum.

A health and safety risk assessment has been carried out which resulted in the boiler being condemned. The Council would need to identify approximately £36,700 of capital investment to undertake the repairs required to be building. Currently, there is no budget provision to support this.

The market rental value is £3500 per annum.

The building will be leased at a nominal £1 per annum rent as per the proposed Community Asset Transfer Policy.

## **9. Risks and Uncertainties**

The Neighbourhood Partnership Team will work with the TARA to ensure that their cash flow forecast is fully understood and adopted as a minimum business plan, to ensure that the TARA can manage their obligations and realise their aspirations.

If the TARA are unable to manage the lease and maintenance costs associated with the building, there is a risk the building will be transferred back to the Council.

Divergence from the previously published draft principle may cause uncertainty and hinder the adoption of a council wide policy.

## **10. Policy and Performance Agenda Implications**

Supporting this group will support delivery of the objectives within the Government White Paper Communities in Control – Real People Real Power (July 2008).

The proposals for the transfer of the building to the TARA support the following 'Plan on a page' corporate priorities and achievements:

- Making sure no community is left behind:
  - More people in our poorest communities are in work and training
- Providing quality education; ensuring people have opportunities to improve skills, learn and get a job
  - More people have formal qualifications and skills
  - Babies and pre school children get a good start in life
- Helping to create safe and healthy communities
  - People feel safe where they live
  - Anti social behaviour and crime is reduced
  - More people are physically active and have a healthy way of life
  - People from different backgrounds get on well together
  - People enjoy parks, green spaces, sports, leisure, and cultural activities
- Improving the environment
  - Clean streets

## **11. Background Papers and Consultation**

- Communities in Control: Real People, Real Power (White Paper)
- Community Buildings Review
- Cabinet Minute B57, 11<sup>th</sup> June 2003.
- Cabinet Member for Housing and Neighbourhoods, 14<sup>th</sup> December 2009, minute number 106.
- Cabinet, 9<sup>th</sup> March 2011, minute number 192.

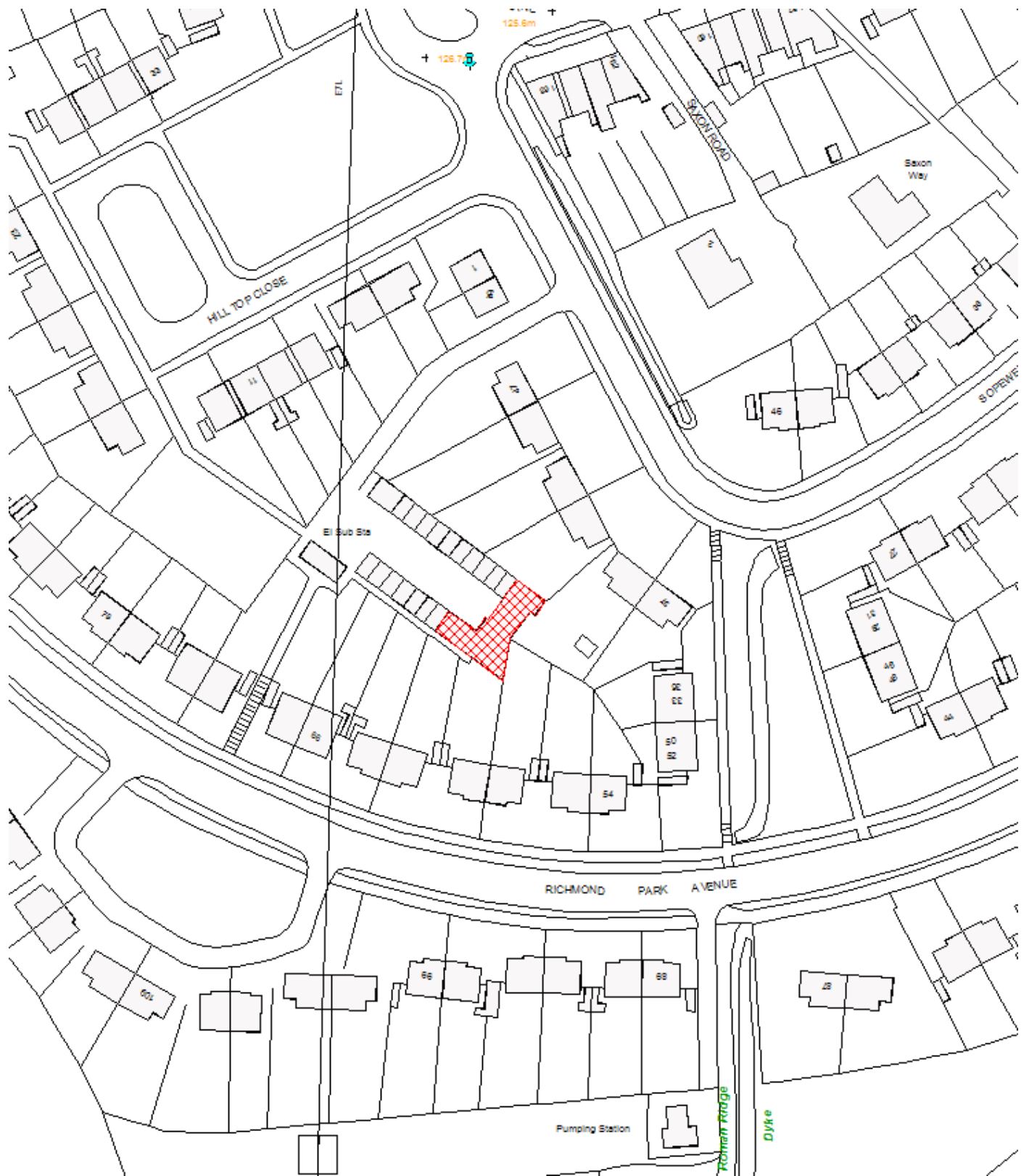
Ward Members were consulted prior to the previous report in December 2009. Cllrs Akhtar and Sims were supportive of the lease of the building being granted on a negotiated rent basis to the Richmond Park TARA to enable the TARA to arrange various community activities to the benefit of the local community.

Jonathan Marriott, Principal Estates Surveyor, Land and Property Team has provided advice.

Sara Fitzhugh, Finance Manager and Paul Walsh, Programme Manager, Neighbourhoods and Adult Services have been consulted.

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**Appendix 1- Map of Richmond Park Community Building**



## **Appendix 2- Richmond Park TARA, Benefits of Asset Transfer and Compliance with the Proposed Community Asset Transfer Policy**

The Richmond Park TARA is a well established and active group. It is properly constituted and registered with Rotherfed.

The Richmond Park TARA are the sole community users of the building and had previously hired it a number of times for meetings and community activities including a Summer Fun Day, Halloween Party and a Christmas Party, which are very well attended and valued by the local community.

The TARA, working with Housing and Neighbourhood Services, have investigated the availability of alternative premises in the locality to provide community activity. However, they have been unable to locate a suitable alternative.

TARA Members have attended a variety of community building management courses, health and safety training and operate a full constitution as a member of Rotherfed. Therefore, they are generally aware of the issues associated with the management of a community building.

The TARA are currently working with the Neighbourhood Partnership Team, to identify potential external funding sources to enable them to undertake the investment required to the building. South Yorkshire Funding Advice Bureau have advised them that if they held the lease then it would put them in a good position to attract funding to support this work.

The TARA have provided copies of:-

- Their constitution and management committee
- Health and Safety and Equal Opportunities Policy

The desire and level of commitment from the TARA to acquire a lease on the premises and create a vibrant community hub at the centre is clearly evident.

The TARA have requested a ten year lease with a 12 month probation period on a nominal rent basis to enable them to attract external funding.

Detailed work has been undertaken with the TARA to establish the following:-

- An understanding of the TARA's aspirations
- Raise awareness with the TARA of the investment needs in the building and the need for investment planning.
- An understanding of intended initial usage and income generation, a timetable of activity and projected income.
- Cash flow scenarios, based upon a number of income and expenditure assumptions.

No external grant funding is taken into account in these projections as it is currently difficult to predict what funding may be available.

## **Social Benefits**

The Association aims to deliver an improved quality of life for the local community through the provision of a range of activities and promotion of other improvements within the area. The TARA propose to generate a timetable of activities within the centre, which will support enhanced community provision and community cohesion, catering for a range of age groups, needs and requirements.

The TARA have conducted a questionnaire survey with local residents which has highlighted the need for the following facilities within the area:

- Enhanced community involvement
- Health and sports facilities
- Clubs and classes
- Youth facilities

The group would like the building to become a hub for the community by offering a range of activities including coffee mornings, mother and toddler groups and youth clubs which are currently not available within the local area. Proposed activities will also provide further education within the area and increase fitness levels. All activities will be carried out by TARA members on a voluntary basis, as a non-profit making organisation.

Such activities will make a positive contribution to community cohesion, inter-generational engagement, preventing social isolation, anti-social behaviour and promoting healthy and active lifestyles.

The TARA are planning to increase activities following the improvement of the building and further promote the hire of the building within the community to generate additional income to support investment.

The leasing of the premises would demonstrate RMBC's commitment to the CLG Communities in Control agenda

## **Economic Benefits**

The management of the premises by the TARA will enable external funding sources to be exploited which are not available to the local authority. It will also transfer capital investment costs from the Council to the TARA. The work which the TARA will need to undertake to manage the centre effectively and in particular the investment programme for the building, will create the opportunity to increase their skills and capacity. Such skills are transferable skills to a workplace situation. Activities will be established at a cost which will enable the TARA to raise sufficient income, but remain affordable for local residents to access.

## **Environmental Benefits**

The TARA's use of the premises and the programme of improvements in the centre which are proposed, will bring a redundant and poor quality building back into productive use. This will add value to the capital investment undertaken in the adjacent garage site, by providing natural surveillance of the site when the centre is in use. This will have a positive

effect upon reducing the potential for anti-social behaviour at the site and support the sites sustainability and consequently its income stream.

The provision of community activities, particularly for young people, will create a safer and stronger community through promoting access to facilities thereby reducing the potential for anti-social behaviour, which undermines neighbourhood sustainability.