

15 March 2012

Outcome of Community Association Lease Trial

Ward(s) All

Portfolios: Cllr A Andrew - Regeneration
Cllr Z Ali – Communities & Partnerships

Executive Summary:

At the Scrutiny & Performance Panel meeting on 3 November 2011, Officers presented a report on the lease arrangements that the Council has in place with local Community Associations (CAs).

Officers are piloting a new approach to negotiations with community groups. If successful this approach will be rolled out during the course of next year to those CAs currently without formal lease agreements. Draft criteria for transfer have been developed to test CA's capacity to manage buildings effectively and to ensure that responsibilities are clearly set out and agreed. There is a finite amount of property available for transfer and the rationale for its allocation must therefore be explicit and clearly linked to the service objectives of the Council.

This report updates the Panel on progress on two pilot transfer projects, involving Manor Farm Community Association and Old Hall People's Partnership.

From these pilots, we have learned:-

That the draft transfer application form needs amending so that it more explicitly identifies whether an organisation meets the criteria for transfer.

There is potential to use Area Community Plans as a tool to establish needs in a locality and to make links between the CA's objectives and issues identified by residents and Area Partnerships.

There is some evidence that capacity building is required to develop CAs understanding of:

- formal options appraisal techniques
- objective setting tools
- premises management requirements
- risk management tools

The level of support given by officers to groups seeking leases will be tailored accordingly.

These lessons will now be applied to negotiations with other CAs and third sector

organisations. The first of these will be a bid by Clayhanger Tenants and Residents Association for a lease of the Little Green Dragons premises in Clayhanger.

Use of a building and building services log book by CAs will be encouraged.

Negotiations with organisations occupying properties without formal lease agreements will be prioritised to ensure best use of resources. Priority will be given to properties in poor condition and to CAs making external funding applications.

Lease terms will be tailored to the circumstances of the individual organisation and will take into account the condition of the building.

Reason for scrutiny:

For Scrutiny Panel to hear about the outcomes of the pilot transfer projects and the lessons learned that will be applied to future negotiations with CAs occupying or proposing to occupy Council premises.

Recommendations:

That:

- 1. The Panel considers the information presented concerning Community Association leases and endorses the course of action set out in the body of the report.*

Background papers:

None

Resource and legal considerations:

The management of properties leased to CAs is ongoing and will be provided from Asset Management's existing resources.

Any legal issues arising from the condition of an individual asset will be considered on a case by case basis.

Citizen impact:

CAs deliver a range of services to local communities. Transfer of a property asset by way of a lease can help to maintain a CA's financial sustainability by giving it the confidence to plan for the long term and enable it to secure funding.

Environmental impact:

The management of community association leases has some potential to impact upon the environment as community use can often result in the sustainable reuse

of a building that is redundant for its original purpose rather than its demolition.

Performance management:

By providing support to CAs to build their capacity to effectively manage property assets the Council moves further from the role of direct provider of buildings to that of enabler. Negotiation of future lease agreements against agreed criteria for asset transfer will help to ensure that lease terms are fair and equitable and that the risks to each party are appropriately managed.

Equality Implications:


An Equality Impact Assessment has not been carried out at this stage

Consultation:

No external consultations have been undertaken. However, the proposed approach has been developed in conjunction with the Community Development team and feedback from pilot organisations will help to inform the future approach to the grant of leases.

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1. Report

- 1.0 At the Scrutiny meeting on 3 November 2011, Officers presented a report on the lease arrangements that the Council has in place with local Community Associations (CAs). This report updates the Panel on progress on two pilot transfer projects involving Manor Farm Community Association and Old Hall People's Partnership.

2.0 Manor Farm Community Association

- 2.1 Terms have been agreed with Manor Farm Community Association (MFCA) for the grant of a lease of the Community Centre on Springfields in Rushall. MFCA has managed the facility on an informal basis since 1999. A lease was sought to satisfy the Highfield Trust's funding criteria and to enable MFCA to access capital for enhancements to the Centre. MFCA submitted a formal application for community asset transfer which was assessed against draft criteria for transfer. The application is attached as Appendix A to this report and the criteria for transfer as Appendix B.
- 2.2 MFCA's transfer application demonstrated that it is soundly established, financially viable and has the capacity to manage the centre and implement the enhancement proposals for the benefit of the community.
- 2.3 The terms of the new lease will require MFCA to continue to undertake all repairs and maintenance to the property. A photographic schedule of condition has been made as a baseline record to confirm the minimum acceptable of condition.

3.0 Old Hall People's Partnership

- 3.1 Old Hall People's Partnership (OHPP) took over the management of Bentley Leisure Pavilion on a one year trial basis from 1 April 2011. No formal asset transfer application was made as OHPP were invited to operate the premises following Leisure Services decision to cease direct management. Again a photographic schedule of condition recorded the condition of the building on handover but because the trial was for a year only the Council retained repairing responsibility for the structure of the building. OHPP were also provided with a one off revenue grant towards running costs.
- 3.2 Overall the trial transfer has been very successful. OHPP have relocated their offices to the Pavilion from the Peoples Partnership Centre in Wing Close. This is now dedicated to OHPP's "Pass It On" furniture and household goods project. The number of activities being run from the Pavilion has increased as have function bookings. It has been redecorated internally and new furniture and equipment introduced.
- 3.3 Prior to transfer information about spend on utilities etc. was provided by Leisure Services to OHPP. Unfortunately, the increased use of the Pavilion means that expenditure on gas has increased significantly. A revenue grant from the Council has helped OHPP absorb this additional cost.

- 3.4 OHPP are now seeking a longer term lease arrangement of up to thirty years. This would enable OHPP to bid for funding for building enhancements. A priority is to improve the buildings energy efficiency and reduce expenditure on gas.

4.0 Outcomes/Lessons Learned

- 4.1 The experience of MFCA and 1st Aldridge/36th Walsall Scout Group who have both completed formal applications for asset transfer suggests that the application form needs amending so that it more explicitly confirms whether an organisation meets the criteria for transfer.
- 4.2 Only limited evidence of demand for MFCA's services was provided and MFCA's reach and support was not addressed. This might reflect the fact that it is already in occupation of Rushall Community Centre. For a new transfer proposal demand might be evidenced by a petition in support of transfer and reach by a survey of residents needs. A better way to establish that transfer of an asset already under CA management will meet the community needs might be to check that the CAs services or proposed services are aligned to the local issues and actions identified in the Area Community Plan for the locality. For example the completion of enhancements to Rushall Community Centre will enable MFCA to provide a luncheon club service. This will help to address the isolation and lack of support for elderly residents identified as an issue in the Area Community Plan for Brownhills, Pelsall, Rushall and Shelfield.
- 4.3 Use of options appraisals techniques is not developed. Alternative courses of action are considered at a high level but are not worked up to a point where any meaningful comparison against the preferred option, transfer of the asset, can be made.
- 4.4 The broad objectives of transfer are understood but they are not made explicit in a way that is SMART¹. The CA's objectives should contribute to at least one of the three priorities contained in the Council's Corporate Plan 2011/12 – 2014-15: Communities and Neighbourhoods, Health and Well-being and the Economy. 1st Aldridge/36th Walsall Scout Group worked with Integrated Young People's Support Services to identify how their activities contributed to the delivery of the objectives in the Children and Young People's Plan.
- 4.5 The application form is not specific enough about premises management capacity. For organisations already occupying premises it is proposed that this is assessed by a site visit and the use of a check list to establish that premises management responsibilities are understood, a responsible person identified and that the required statutory tests and inspections are in place.
- 4.6 There is a broad awareness of risks associated with asset transfer, with concern centering on financial sustainability, but no evidence of the utilisation of any formal risk assessment technique or risk management action plan.

¹ Specific Measurable, Achievable, Realistic, Time bound

- 4.7 Lease terms should be tailored to the circumstances of the individual organisation and should take into account the condition of the building (evidenced by a condition survey if necessary). Photographic schedules of condition should be taken to record the condition of the property on transfer. This gives a baseline standard of repair. Full information about premises running costs should be disclosed prior to transfer. Revenue support in the first year of occupation can help CAs deal with unexpected expenditure.

5.0 Future transfers

- 5.1 The draft criteria developed in the pilots will be utilised to assess all new transfer proposals. The first of these will be a bid by Clayhanger Tenants and Residents Association (CTRA) for a lease of the Little Green Dragons Nursery in Clayhanger. Brownhills Community Association will be relocating the nursery to Brownhills Activity Centre at the end of April. CTRA has been given three months from 1st March 2012 to put together an application for the property which demonstrates that it can competently manage it and that the benefits to the community that will arise from its use justify the grant of a lease at a peppercorn rent. Officers are working with CTRA to develop its bid. Works are required to the property to make it fit for purpose. A condition survey is being undertaken. This will help CTRA to make an informed decision about the extent of the liability it is taking on and will enable the degree of risk associated with the proposed transfer to be identified.
- 5.2 Property Services have developed a building and building services log book for Council premises managers to use as a quick reference/guide to their responsibilities and to record information about the building and building services statutory tests and inspections. Officers will conduct an audit of premises management by CAs and will encourage the use of the log book or similar to collate inspection records.
- 5.3 Negotiations with organisations who are already occupying properties but who are without formal lease agreements will be prioritised to ensure best use of resources. First priority will be given to CAs occupying properties in poor condition and to those who are making external funding applications.

Application for Community Asset Transfer



Walsall Council

1. Information about your organisation

1.1 Name: Manor Farm Community Association

1.2 Address: King George Crescent
Rushall
Walsall, WS4 1EU

1.3 Registered Charity Number (if applicable): 505889

1.4 How long has your organisation been running? 35 years

1.5 What is the legal structure of your organisation?

The Charity is an unincorporated association registered with the Charity Commission, Registration Number 505889, registered on the 14th January 1977

1.6 What are the governance arrangements of your organisation?

The constitution of Manor Farm Community Association adopted in 1977, outlines the governance arrangements for the charity and the eligibility and selection process by which Trustees are appointed. The governance of the charity is conducted through the board of elected trustees who give their time freely and are responsible for the overall control and decision making of the charity in order to achieve the charity's stated objectives. The trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice.) The law applicable to charities in England & Wales requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources of the charity for that period. To assist the trustees, members of staff are employed directly by the charity to implement and carry out the day-to-day activities and business of the organisation and these are managed and led by the Charity CEO who reports directly to the Charity Board of Trustees.

1.7 Please enclose a structure chart for your organisation, showing the number of staff employed and lines of staff management and accountability

1.8 What Quality System (if any) is used by your organisation?²

The Charity uses PQASSO – practical quality assurance system for small organisations. Our quality standards are based on ensuring the community has an audible voice to represent issues of local concern and whose views may not always be heard. We are an independent and politically neutral organisation with a powerful commitment to democratic principles. We are a service provider of local solutions for local people. Community organisations deliver services to local people and initiate new projects and services that respond to local needs. We build partnerships with other local organisations and groups and provide a strong local network of people and organisations working together and supporting each other.

1.9 What are the financial audit arrangements?³

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993 and trust deed. The Associations Accounts are audited annually and comply fully with The Charity Commission Statement of recommended practice (SORPS) and associated legislation of 2005.

1.10 Are there any current, pending, outstanding or potential claims against your organisation which will/would be heard in a Court or Tribunal? No

² For example Community Matters 'Visible' standard

³ The organisation should have provided full notes versions of the annual accounts for each of the last three financial years

2. Information about the asset transfer proposal

2.1 Please provide an overview of the proposal and describe the issue(s) that it will address.

Whilst there is currently no formal agreement recording the terms of the present occupation Manor Farm Community Association have exclusive possession of the Rushall Centre premises and have acquired security of tenure under the Landlord and Tenant Act 1954. The current proposal is for the establishment of a lease from the council for the premises with Manor Farm Community Association to incorporate Landlord's consent for maintenance and appropriate usage. The term of the lease is yet to be agreed but is hoped it will be for no less than 20 years from completion to enable the Association to have the security of tenure it requires and to enable applications for funding to support the premises, activities and development.

2.2 Please provide a high level description of the objectives and outcomes the proposal will deliver. How do these link to the overall vision for Walsall contained in the Sustainable Community Strategy?

Manor Farm CA will work together with Walsall Council services, partner organisations and local people to improve the economic, social and environmental well-being of the area. In particular, we will provide high quality education, learning and skills opportunities, improve health and well-being, create strong communities and effective community leadership and enable people to enjoy culture, sports and leisure. Many Rushall Centre users are elderly and in partnership we can reduce inequality and disadvantage whilst raising the quality of life through opportunity and reducing social exclusion and isolation. We will provide and deliver effective, high quality services for local Walsall people which meet customers' needs and demands.

2.3 Please describe any changes to service delivery that will be achieved by the proposal.

Asset transfer will enable MFCA to develop the services currently on offer by extending opening hours, enhancing consultation with the community and co-ordinating building maintenance and programme improvement through external funding support and direct day-to-day management of the site, resources and activities.

2.4 Please describe the expected benefits of the project.

Working in partnership with local people we will be able to establish accountable, fully sustainable and maintainable community strategies for maintenance and development of the resource. This includes the fabric of the building, activity programmes and the empowerment of local people to deliver local solutions to local issues.

Benefits include:

- Restoration of a community building in serious need of refurbishment and maintenance*
- Employment of local people to maintain and deliver activity programme*
- Additional opportunities for community activity*
- Improved local services to local people – delivered by local people*
- Delivery of opportunities that meet local needs and supporting the development of our social economy in line with Walsall Council priorities*
- Increased security and longevity of community centre activities for local people*

2.5 Please give details of any community consultation carried out in the locality and evidence of other support for the project

The diverse needs, expectations and demands of this community have been collected and collated through consultations with individuals and community groups at centre, community venues, meetings with focus groups and local retail and industry community surveys. Consultation methodology has included public consultations' at our community venues, meetings with local residents; on-the-spot interviews, comment box slips, targeted requests for information, community surveys, requests and demands from local people.

2.6 What resources are required to deliver the project (financial, ICT, administration/project management)? Please outline any assumptions you have made about the availability of resources.

- **Over 25 years of Project management expertise and experience.***
- Staff - employed and voluntary to open and co-ordinate service delivery*
- Financial management and administration of site and activity programme*
- Site management - cleaning, caretaking and resource maintenance*

2.8 Why is transfer of the property asset critical to successful delivery of the project?

We are determined to strengthen participation and develop opportunities in all activities within the disadvantaged community of Rushall and promote engagement in learning, leisure, recreation, sport, health and fitness in order to improve social, intellectual and emotional well-being in a more secure environment. Manor Farm Community Association will play a critical role in the development of the Rushall Centre with a high level of experience and expertise in the design, delivery, co-ordination and management of activities. This will establish and consolidate improved links with the local community using local expertise, knowledge, skills and experience. The asset transfer will therefore extend easy access and participation by extending life opportunities for local people in order that they can derive greater personal development through informal and structured, sessions of learning and leisure opportunities. The underuse of the Rushall Centre is identified as under-funding and lack of management expertise. This trend will continue unless the resource is transferred to an experienced organisation of local people with the appropriate management infrastructure. In this way, an asset transfer to MFCA is deemed the most cost-effective and desired solution for Rushall residents.

2.9 What alternative options have been considered?

- Transfer of programmes to centres in other wards*
- Provision of cost-prohibitive transportation of people to other wards*
- Cancellation of centre activities and abandon the community needs*

2.10 If a transfer proceeds, how do you propose to manage this asset on a day to day basis?

The Rushall Centre will continue to be staffed and managed by the Community Association supported by local residents and volunteers with the programme determined by the needs and demands of the community. The Community Development Officer, reporting to the CEO of the Community Association, will manage the centre on a daily basis, as has been the case since the Association took responsibility for the premises in 2001. Regular reports on the programme and development of the Centre are also given to the Trustees of the Association at the meetings of the General Committee. The Community Development Officer is also responsible for identifying the needs of the community and structuring the timetable on a monthly basis. They will consolidate ideas with the Community Director giving monthly statistical data, course up-take and other project monitoring and evaluation needs. The Centre will continue to be available for usage by the community seven days a week from 9.00am until 10.00pm.

3. Professional Experience

3.1 What services or activities has your organisation been delivering and to whom?

We offer a range of community activities, resources, services and life enriching opportunities including the provision of education, recreation, social, leisure and cultural opportunities for those who live, work and play in the borough of Walsall. In particular, we offer services to children and families through a day care nursery, youth activities for young people, senior citizen support for the elderly including good neighbour projects, domestic helping hands service and luncheon clubs, social events and focus group workshop. We are committed to providing high quality services that provide a friendly, relaxed environment for learning or purely for pleasure and are located at the heart of the community.

3.2 Does your organisation currently provide, or has it at any time in the last 10 years provided, services to Walsall MBC?

The Association has delivered a wide range of services to, and for, Walsall MBC for the duration of its 35-year existence, most notably adult education, youth work, activities for children, the elderly and all ages and sections of the authority.

3.3 Does your organisation currently receive, or has it at any time in the last 10 years received, any grant funding from Walsall MBC?

The Association received annual six-figure grant support from the Council to support its activities for almost 20 years before the cessation of the funding and has since received funding via SLA's and contract to deliver specific areas of work.

3.4 Has any Contract or Service Agreement or Service Level Agreement that you had with a public body or any Grant Funding you received from a public body, ever been terminated before expiry or suspended?

No

4. Risk Management

4.1 What are the risks to successful implementation of your proposal and its subsequent success?

Identified risks: the main risk associated with the proposal is the failure to secure a lease and the associated security of tenure would impact significantly on the chances of the Association being able to successfully secure the external funding required to refurbish the building.

4.2 What steps have been taken to mitigate those risks?⁴

The Association have appointed a funding and development officer to research external funding opportunities and to continue to seek funding to enable the project proposal to be a success.

5.0 Performance Management

5.1 How will you measure achievement of the objectives and outcomes the proposal will deliver?

Regular research and evaluation will ensure that the Rushall Centre meets the stated aims and objectives of our association, measures progress against our objectives and ensures best value for money. Manor Farm Community Association will work in partnership wherever possible to establish and implement effective monitoring and evaluation procedures to measure the baseline and future success of programmed delivery. Our programmes will identify qualitative and quantitative outcomes for learners and provide 'success indicators' to measure benefits. We will also collect and analyse a variety of data to measure success. These will include attendance, ethnic participation, and attitude to activity, case studies, assessments, examination performance, and overall achievement. We will also conduct an 'on-going' audit of provision available and a review and analysis of current practice in co-operation with local individuals, specialist need 'focus' groups, staff, volunteers and potential partners.

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⁴ The organisation should have regard to the CLG guide Managing Risk in Asset Transfer.

CRITERIA FOR ASSET TRANSFER

For use when assessing bids by community groups/voluntary sector organisations for exclusive control of Council owned property	<u>Score</u>	
	0	Question not addressed by applicant
	1	Some information given but lack of evidence to back up response or further clarification required
	2	Adequate evidence or reasonable explanation given
	3	Strong evidence (qualitative and quantitative) given or a clear and convincing argument made

1.0	<u>Goal and objectives of this proposal</u>	
1.1	Has the organisation offered a clear statement of what it is seeking to achieve for its community? What is the need the asset will meet? What are the expected benefits to the community?	
1.2	Has the organisation offered a clear statement of demand for the proposal locally and evidence of the reach of the organisation into the community and local support?	
1.3	Has the organisation offered a clear explanation of why the asset is necessary to the achievement of the objectives?	
1.4	Has the organisation offered an explanation of the alternatives to asset transfer that have been explored e.g. shared use of another building, joining up with an other facility or organisation etc. (should demonstrate that the organisation is aware of other activity going on in the area)	
2.0	<u>Strategic fit with Sustainable Community Strategy and Walsall MBC Corporate Plan</u>	
2.1	Has the organisation offered an explanation of how its proposals fit the Council's objectives?	
2.2	Has the organisation identified clear and measurable key performance targets with clear reporting arrangements?	

3.0	<u>Asset Management</u>	
3.1	Has the organisation been able to demonstrate that control of the asset is necessary for the advancement of its proposal?	
3.2	Has the organisation demonstrated that it understands the responsibilities and liabilities that will arise on transfer?	
3.3	Has the organisation demonstrated that it has the capacity to manage the asset on a day to day basis?	
3.4	If the proposal involves refurbishment or alteration of the building has the organisation:	
	a) considered capital costs and funding plan	
	b) considered revenue expenditure and developed budgets	
	c) developed a realistic project programme	
	d) sought relevant professional advice	
4.0	<u>Risk Management</u>	
4.1	Has the organisation completed a risk assessment of the proposal?	
4.2	Has the organisation offered clear proposals to mitigate risk?	
	TOTAL SCORE	/45

The Council will also consider relevant qualitative information such as:

- Community consultation outcomes
- Supporting statements from Council Services/Directorates
- Supporting documentation re partnership working
- Third party references