



Cabinet
8 February 2016

**Report from the from the Director of
Performance, Policy & Partnerships**

Wards affected:
Mapesbury

**Authority to market the Sports Club at the Gladstone Youth and
Community Centre under the Council's Community Asset Transfer
(CAT) Policy**

Appendix I is not for publication.

1.0 Summary

- 1.1 Through the Council's Community Asset Transfer (CAT) policy, the Sports Club at the Gladstone Youth and Community Centre was the subject of an Expression of Interest (EOI) by Kilburn Cosmos, (KCRFC). This EOI has been evaluated and has passed the relevant tests as outlined in the CAT policy. The next step of the decision making process is for Cabinet to grant authority to market the asset as a CAT opportunity.

2.0 Recommendations

- 2.1 That Cabinet approve the marketing of the Sports Club at the Gladstone Youth and Community Centre as a CAT opportunity for a seven year lease, as per 3.9.
- 2.2 That Cabinet note, following marketing through a non binding informal tender process, the final decision to let the asset on the agreed terms will be placed before Cabinet for approval.
- 2.3 That Officers advertise in the local newspaper in accordance with Section 123 of the Local Government Act 1972 the Sports Club as shown on the Site Plan Appendix II and in the event of objections they be considered by the Strategic Director of Resources unless in the opinion of the Strategic Director of Resources significant objections are received in which case this should be reported back to the Cabinet for it to consider.

3.0 Detail

Community Asset Transfer (CAT) Policy

3.1 The CAT policy was launched in July 2015. It outlines a framework that supports the identification, transfer and sustainable management of Council assets by Third Sector Organisations (TSOs). It encourages TSOs to approach the Council with proposals for assets by submitting a completed Expression of Interest (EOI) template, which summarises their vision for the asset including how the intended use supports Borough Plan 2015-19 priorities.

3.2 The CAT policy is underpinned by five principles¹:

1. Community asset transfers will support the priorities of the Borough Plan;
2. Organisations that benefit from the transfer need to be credible, constituted, financially viable with a clear business case;
3. The services and building need to promote equality and community cohesion;
4. All opportunities should be advertised; and
5. Buildings should be transferred on a repairing leasehold basis.

Principle four - *all opportunities should be advertised* - means that a successful EOI does not guarantee the submitting organisation the lease of the asset. Instead, pending Cabinet approval, the asset will be marketed as a CAT opportunity; for which all interested TSOs can submit a more detailed, full application through a non binding open market tender process.

Expression of Interest (EOI)

3.3 An EOI for the asset was submitted by KCRFC; the Council's current tenant of this asset. Through a successful CAT this organisation aims to obtain funding that can be used to improve the asset's facilities, which in turn will enable them to increase their sporting provision and grow as a club.

The Borough Plan Test

3.4 The proposal was evaluated to successfully support the priorities outlined in the Borough Plan 2015-19. Additionally, there is scope for a project of this type to contribute towards a number of Borough Plan outcomes to be achieved by 2019 including:

- Participation rates in sport, physical recreation and cultural activities amongst the highest in London.
- Childhood obesity rates will be amongst the lowest in London.

¹ These were approved Brent's Cabinet on 1 June 2015 following a report titled 'Strategic Property Plan 2015-19 including proposals in respect of Community Asset Transfer'.

- A range of examples of new service models developed and run in partnership with local people and organisations.

3.5 The proposal is supported by the lead Brent Service on the basis that it would be beneficial to the borough if an organisation could secure funding to improve the facilities and increase the sporting provisions available at the asset.

The Property Test

3.6 The property is located at 162 Anson Road London NW2 6BH, and is situated within the Gladstone Park. The building was built circa 1935. It is a single storey building with a ground floor and basement. It is of brick construction with the concrete roof being part flat and part shell.

3.7 The ground floor comprises a main hall, playroom, 2 offices, kitchen, WC's, a bar area, and various storage rooms. The basement contains a gymnasium. The building is not in good condition. The building has two separate demises occupied by the Ellen Louise Nursery and the KCRFC. The area demised to the tenant under the CAT, (i.e. the Club house, bar and ancillary outside area), is 130sq m internal and 190sq m external.

3.8 By leasing the asset through a CAT it should enable the tenant to produce increased community outputs and secure further funding to sustain and develop the asset.

Proposed Lease Terms

3.9 The CAT policy generally allows for a 7 year lease to be granted to the preferred tender bidder. However, a longer lease would enable bidders to pursue necessary additional funding. Should applicants require a longer lease, when they apply they will need to provide a business case supporting the request.

Bid Evaluation Methodology

3.10 Subsequent to the marketing of an asset as a CAT opportunity, all eligible applications are evaluated against the 'Property Application Evaluation Criteria', detailed in the Community Asset Transfer policy June 2015. The assessment is largely qualitative, testing in the first instance for eligibility, then removing from the process applications that do not qualify, and testing remaining applicants against the following criteria:

1. If the applicant is properly constituted and governed, skilled and capable to manage the asset and deliver the proposed service, financially able to take on the property commitment and suitably experienced, asking for a copy of the applicant's equality policy.
2. A rental value and comments to proposed heads of terms.
3. If the lead service supports the service offer.
4. If the social value outcomes justify the transfer.
5. If equalities outcomes support the transfer.
6. If the proposed merits of the application outweigh the negatives.

7. If there has been a noted declaration of connection or interest noted.

- 3.11 The evaluation criteria is used to analyse bids against competing applications, allowing for an overall assessment of value. The marketing particulars are designed to include a guide price; this is determined by the valuation at Appendix I. The final lease rent will be determined by the applicant through the property application process, as per 3.10.2, that can be higher or lower than the guide price. The selection process is based on an overall assessment of value.

4.0 FINANCIAL IMPLICATIONS

- 4.1 From the valuation it is expected that the tenderers will make a rental bid as per confidential Appendix I. There is an existing rental flow associated with this asset which is detailed in Appendix I.
- 4.2 It should be noted that there may be a Social Value in a tenderer's bid, (over and above the outputs currently delivered from the asset), that can be translated into a financial value and may be offset against the actual rental income that the Council receives from this asset.
- 4.3 The Social Value attached to a tenders bid will involve assigning financial proxies to the outputs delivered by the successful CAT bidder, for example: *'the number of children regularly participating in sporting activity'*. The outputs used to demonstrate Social Value will be tailored to promote best use of this asset; including well-being measures around sport and fitness activities, inclusivity for community organisations and local people, and ensuring pleasant and well-maintained public spaces.
- 4.4 All assets under the CAT policy are transferred on a repairing leasehold basis; therefore all redevelopment and maintenance costs post-transfer are expected to be met by the successful CAT bidder and should incur no additional costs to the Council.

5.0 LEGAL IMPLICATIONS

- 5.1 Under Section 123 of the Local Government Act 1972 the Council has a general power to dispose of properties including by way of the sale of the freehold or the grant of a lease.
- 5.1.1 The Council must obtain the best consideration that is reasonably obtainable unless it is a lease for 7 years or less.
- 5.1.2 Disposals on the open market, either by way of auction tender or by way of appointing a marketing agent, will satisfy the best consideration requirement.
- 5.2 The lease will be as per the standard CAT policy and will be a template lease that will include the applicant's service officer in the appendix section.
- 5.3 Since the Sports Club forms part of public open space the disposal of the

same has to be advertised under Section 123 of the Local Government Act 1972 in the local newspaper for two weeks, with a 21 day period for objections. Any objections will need to be considered by the Strategic Director of Resources unless, in the opinion of the Strategic Director of Resources, significant objections are received in which case this matter should be reported back to the Cabinet for it to consider.

6.0 DIVERSITY IMPLICATIONS

- 6.1 The EOI confirms that the services and activities included in the proposal will be inclusive and open to all. In relation to the nine protected equalities characteristics, the outcomes associated with this EOI proposal were evaluated as having either positive or neutral outcomes. If the asset is marketed as a CAT opportunity the full application process will include a more detailed equalities assessment based on full business plans.

7.0 STAFFING/ACCOMMODATION IMPLICATIONS

- 7.1 Following a successful CAT bid the relevant service unit will monitor the Tenant's outputs on a yearly basis to ensure compliance with the agreed social and other outputs to the community.

8.0 ADDITIONAL INFORMATION

Appendix I: Current Rental and Proposed Rental under the CAT (below the line).

Appendix II: Site Plan.

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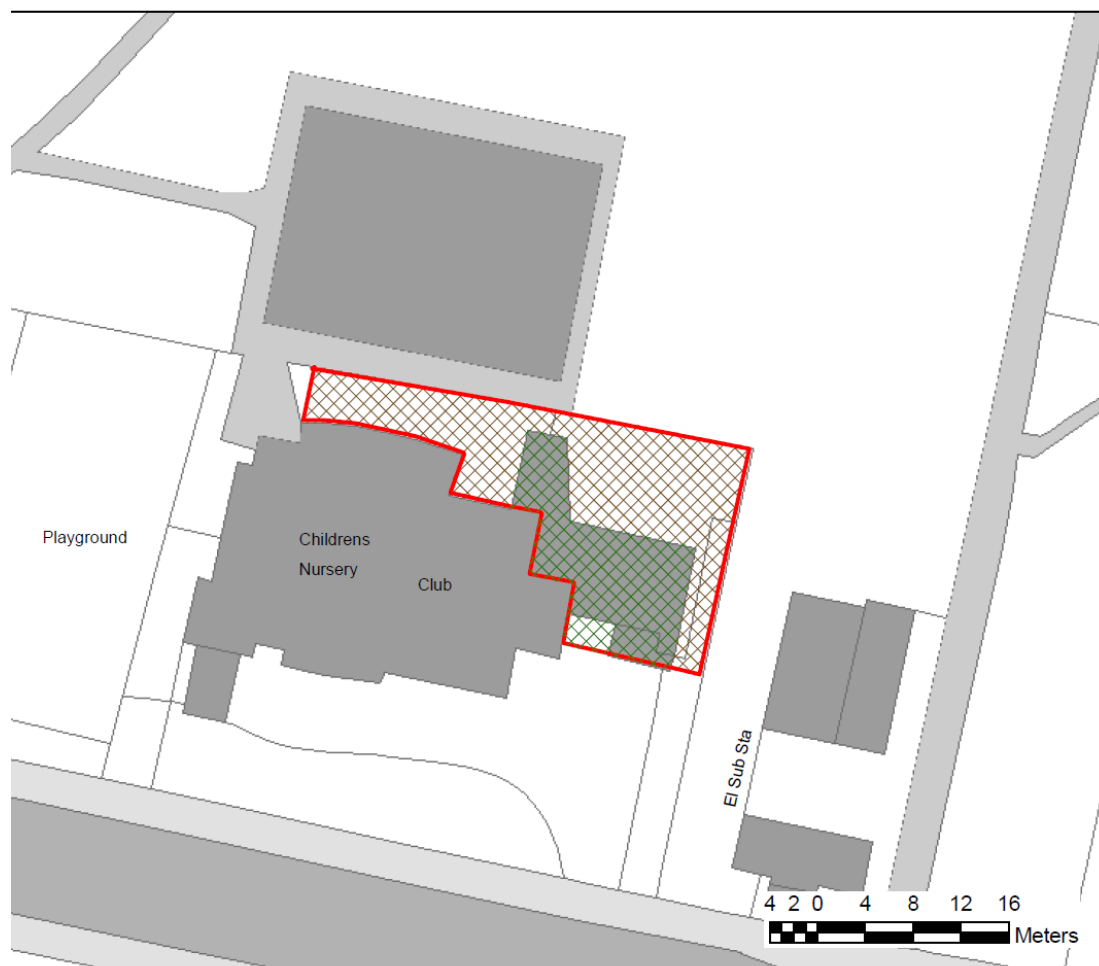
Appendix I


Meeting
Date

Version no.
Date

NOT FOR PUBLICATION

Gladstone Sports Club Area to be demised, Gladstone Centre, 162 Anson Road, London, NW2 6BH



 Area to be Demised  External Premises  Internal Premises



Brent

1:500

Plan to stated scale if printed at A4.

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NORTH

