



Cabinet
8 February 2016

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

Wards affected:
Northwick Park

Authority to market Northwick Park Pavilion (Main Hall and Ancillary Areas) 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Appendix I is not for publication.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 Northwick Park Sports Pavilion was the subject of an Expression of Interest (EOI) by a consortium led by Sudbury Court Residents Association. This EOI has been evaluated and revised to include just the main hall and ancillary areas of the asset; resulting in a successful nomination. 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 Northwick Park Pavilion (Main Hall and Ancillary Areas) as a CAT opportunity for a seven year lease, as per 3.10.
- 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 land shown edged XXX on the Site Plan Appendix III 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 to 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 a consortium led by Sudbury Court Residents Association, which also includes Parnell's Gaelic Football Club and Bright Kids day nursery. Through a successful CAT the consortium aims to develop the underused areas of the asset into a hub for community activities in the evenings and at weekends, as well a 'pack up' nursery operation during weekday day-times.

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:

- Significantly more examples of communities taking action for themselves to improve the quality of life in their neighbourhoods.

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'.

- Participation rates in sport, physical recreation and cultural activities amongst the highest in London.
- A range of examples of new service models developed and run in partnership with local people and organisations.

3.5 The initial EOI was intended for the entire pavilion site. This proposal was rejected because it would interfere with the current sport use of the pavilion and the services the Council is committed to provide from it. However, it is recognised that the hall, bar and related area of the pavilion is currently under-utilised, and also that the vision detailed by the consortium could be realised from this area of the asset alone. Following agreement from the lead organisation to revise the proposal to include just the main hall and ancillary areas of the asset, it was re-evaluated. The revised proposal was subsequently supported by the lead Brent Service (that manages the Council's Sport and Parks facilities) with the caveat that any use of the asset must not interfere with the primary sport use of the pavilion and that restrictions regarding times of use and noise are adhered to.

The Property Test

- 3.6 The property is of a single storey brick construction with a flat roof built circa 1950. It comprises a hall and ancillary areas within a sports pavilion. It is centrally located in public open space with an adjacent pay and display carpark. It is accessed via The Fairway.
- 3.7 The hall and ancillary areas are accessed by a separate entrance from the rest of the building, with the hall having a Gross Internal Area (GIA) area of 188 square meters (sqm). The whole building comprises 1133sqm. It has single glazing with metal shutters and oil fired central heating.
- 3.8 The building is shared with Brent's Park Service who provide public changing facilities for sport. Separation works are required and the incoming tenant will be required to alter the premises pre-occupation, as follows:
- Doors into the pavilion corridor from the main hall will need to be removed and replaced with a wall.
 - New access needs to be created within the area to be used.
 - Water will either have to be converted to a sub-meter and recharged or an agreed amount paid to the Parks Service (who currently pays the bill for the entire site).
 - Other utilities for the main hall and ancillary areas will need to be split from those for the wider pavilion site; this will include changing the heating to an electric supply.
- 3.9 The property is suitable for a CAT and has been under-utilised over the past few years. It is considered appropriate for a TSO to lease it from the Council to increase its utilisation and bring it back into use to provide benefits to the community. It is recommended that there is a three month marketing period in order to reflect the level of alterations that a bidder is required to undertake in order to produce a substantive and solid proposal.

Proposed Lease Terms

- 3.10 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

- 3.11 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.

- 3.12 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 3.11.2, 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.
- 4.2 It should be noted that there may be a Social Value in a tenderer's bid 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 people participating in community activities'*. 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 The main hall of the asset is available for rent but has been significantly under-utilized. In the last year it has been rented out once and generated £160 income for the Council.

4.5 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 Northwick Park Pavilion (Main Hall and Ancillary Areas) is held as public open space the disposal of the same has to be advertised under Section 123 of the Local Government Act 1972 in a local newspaper for two weeks, with a 21 day period for objections with any objections being considered by the Strategic Director, 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.

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: Valuation (below the line).

Appendix II: Photographic Schedule

Appendix III: Site Plan.

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Appendix I

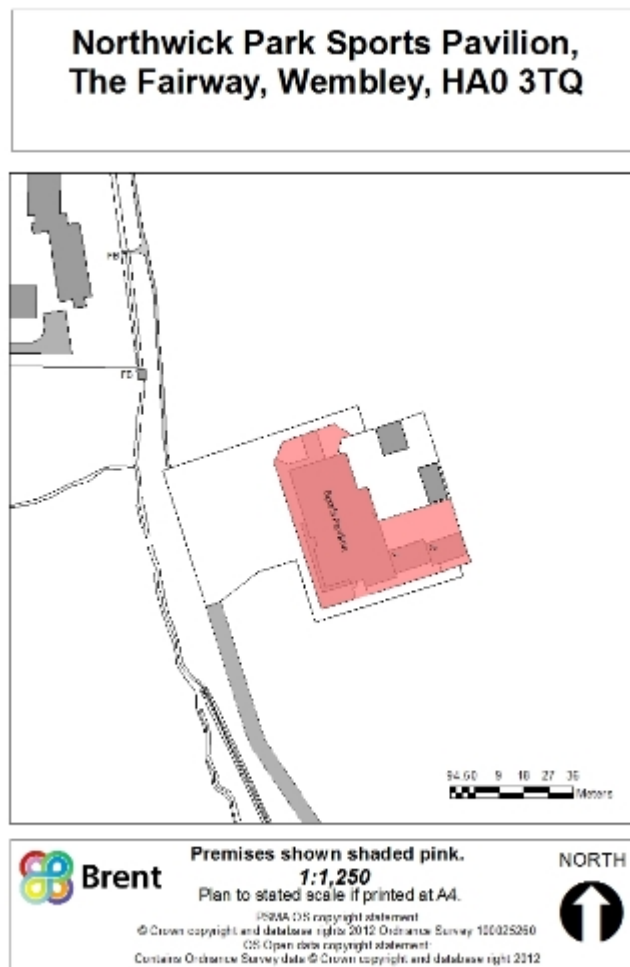
NOT FOR PUBLICATION

Appendix I is not for publication as it contains the following category of exempt information as specified in Schedule 12A of the Local Government Act 1972, Namely: "Information relating to the financial or business affairs of any particular person (including the authority holding that information)"

Appendix II: Photographic Schedule



Appendix III: Site Plan and Internal Plan of Area to be Demised



Internal Layout to Be Demised

