



**Cabinet
24th April 2017**

**Report from the Strategic Director of
Resources**

Wards affected: Mapesbury

Community Asset Transfer at Sports Club at Gladstone Youth & Community Centre, Gladstone Park, 162 Anson Road, London NW2 6BH, the outcome of marketing and recommendation to proceed with a preferred applicant

1. Summary

- 1.1 On the 8th February 2016 Brent's Cabinet approved the marketing of the Sports Club at Gladstone Youth & Community Centre, Gladstone Park, 162 Anson Road, London NW2 6BH as a Community Asset Transfer opportunity.
- 1.2 This report details the outcome of marketing making a recommendation to grant a lease of the Sports Club to a preferred applicant.

2. Recommendations

- 2.1 That Members approve the proposal for a Community Asset Transfer of the Sports Club which involves entering into a lease for 7 years with the Kilburn Cosmos Rugby Football Club (KCRFC).
- 2.2 That Members delegate authority to the Strategic Director of Resources to finalise and agree the terms of a leasehold disposal to the preferred applicant, KCRFC in consultation with the Operational Director Environmental Services

3. Detail

- 3.1 The Sports Club has been occupied by the KCRFC on a Tenancy at Will for a number of years.
- 3.2 Externally the property is of a rendered construction under a flat roof. The car park entrance and the forecourt are shared with the adjacent nursery. As such any costs associated with the maintenance and repair of the common parts will need to be apportioned. Internally the Unit comprises of a main hall, bar, kitchen facilities and a storage area.
- 3.3 The property will require internal works to separate the utilities and provide a new heating system. Externally a new toilet block will need to be built as the facilities

are at present share with the adjacent Nursery. All works are to be completed within 18 months of entering into the lease.

- 3.4 The Sport Club has an approximate building gross internal area of 130 square metres (sqm) with its own external grounds measuring 190 sqm. Appendix 1.
- 3.5 The Sports Club is located within a building that in the past formed part of the adjacent Nursery premises. The property has limited off street car parking facilities and these are shared with the adjacent Nursery.
- 3.6 On 1 June 2015 the Cabinet agreed the new Strategic Property Plan 2015-19, including proposals in respect of a new Community Asset Transfer process. Subsequently in July 2015 a detailed CAT policy, procedure and guidance was published.
- 3.7 Through the CAT policy, part of the building at the Gladstone Youth and Community Centre was the subject of an Expression of Interest (EOI) by Kilburn Cosmos, (KCRFC). This EOI was evaluated and passed the relevant tests as outlined in the CAT policy. 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
- 3.8 Cabinet approved the marketing of the Sports Club on 8th February 2016 following a report titled 'Authority to market Sports Club at the Gladstone Youth and Community Centre under the Council's Community Asset Transfer (CAT) Policy'. This report outlined the CAT process, relevant tests of the CAT policy and (at Appendix 1) gave full details of the area proposed to be included in the CAT marketing particulars.

Marketing

- 3.9 In September 2016 the Sports Club was marketed as a CAT inviting applications from eligible third sector organisations, with the marketing particulars detailing the CAT policy's standard terms:
 1. The Council invites bidders to propose a lease term up to a maximum of 7 years.
 2. The lease will be on Full Repairing terms with the property being insured by the Council through Brent Council's block insurance policy and recovering the premium from the ingoing tenant.
 3. The ingoing tenant will be permitted to assign the property subject to Landlords' consent, not to be unreasonably withheld. Sub-letting will be prohibited.
 4. The lease will contain such terms as the Council considers appropriate. The ingoing tenant will be required to covenant to undertake any proposed work outlined in their business plan at their own expense and obtaining any requisite consents, including planning consents.
 5. The lease will be Contracted Out of the security of tenure provisions of the Landlord and Tenant Act 1954.
 6. Rent review to be on the 5th anniversary of the lease and to be uplifted by the Consumer Price Index.

7. The lease to be entered into will be on Brent Council's standard terms but may include further terms as the Council's solicitor considers appropriate.
- 3.10 Interested applicants were asked to use the CAT property application form to submit their offer, the template form comprises the following questionnaire/tests:
1. The organisation test aims to ensure that the applicant is a qualifying organisation, defined in the CAT policy as a third sector organisation (TSO).
 2. The organisation test ensures organisations Brent contracts with are of sufficient capacity to take on the building and deliver the proposal.
 3. The draft lease Heads of Terms set out contracting conditions.
 4. A service offer template asks applicants to detail their proposals in the form of a business plan including cash-flow forecasts. The service offer forms part of the lease and will be subject to an annual self- assessment by the tenant that will be submitted to the Council to review and feedback on.
 5. A social value test is a more detailed version of the borough plan test aligning with Brent's vision and objectives.
 6. An equality analysis asks applicants to consider the equality impact of their proposal.

Outcome of marketing

- 3.11 On 31 October 2016, the application submission deadline date, one CAT application was received from Kilburn Cosmos Rugby Football Club, the approved applicants under the EOI. The tendered rent was £5,500 per annum exclusive for a proposed 7 year lease on terms set out in the marketing particulars.
- 3.12 The rental value offered by the applicant at £5,500 per annum was at the guide rental value in the marketing particulars. It is noteworthy that the rental payment is not however the primary assessment in a CAT application, the detailed criteria is as below.

Application evaluation

- 3.13 In accordance with the Brent's CAT policy applications were evaluated against the following criteria:
1. Is the applicant a qualifying organisation? (non-qualifying organisations will be removed at this stage).
 2. Is the applicant properly consisted and governed?
 3. Does the applicant have skill and capacity to manage the asset and provide the service?
 4. Do the applicant's accounts demonstrate the ability to take on the asset and delivery the service?
 5. Does the applicant have experience of delivering similar projects?
 6. Is the applicant a consortium?
 7. Are the heads of terms submitted acceptable?
 8. What service does the applicant propose to deliver?
 9. What are the social value outcomes (the Brent template measures outcomes that align with the Borough Plan)?
 10. What are the applicant's equalities outcomes?

11. If the proposed service will be inclusive for all?
12. The form ask applicants to note any connection of interest that may create a conflict of interest issue.

3.14 The application evaluation is at Appendix 2.

Shortlisting

3.15 No shortlisting was required as the Kilburn Cosmos RFC were the only tender applicant for the Sports Club and are a qualifying organisation that meets the requirements of the CAT evaluation.

The Recommendation

3.16 The following contract arrangement is proposed. That Brent enters into negotiations with Kilburn Cosmos Rugby Football Club to lease the Sports Club.

Alternative/Exit Options

3.17 There were no alternative exit options in relation to the Sports Club. However a medium term proposal has since come forward suggesting redevelopment of the entire site. This needs to be worked through in relation to the Sports Club, the Gladstone Youth & Community Centre and possibly the adjacent Gladstone Park Pavilion.

4. Financial Implications

4.1 A rental income of £5,500 per annum exclusive, with a four month rent free period from the commencement of the lease term.

5. Legal Implications.

5.1 A landlord's break clause will be inserted. This will only be operable if service delivery milestones are not met on the basis of service delivery by the tenant 3 years after entering into the agreement to lease the Sports Club, with a provision for a landlord bi-annual break option thereafter, subject to service delivery. This will be added to the existing heads of terms.

5.2 KCRFC have also indicated that they require a lease break option in years three and five of the lease, in case their circumstances change.

5.3 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 or a licence.

5.4 The Council must obtain the best consideration that is reasonably obtainable unless it is a lease or licence for 7 years or less.

5.5 Disposals on the open market, either by way of auction or by way of appointing a marketing agent, will satisfy the best consideration requirement.

- 5.6 Since the land to be leased is held as public open space the disposal of the same is 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 of Resources.
- 5.7 The form of lease to be granted will be based upon a template lease for the disposal or letting of community assets which includes provision for appending the service offer, a once a year annual review comprising the review of the service offer, details of service delivery outcomes and anticipated outcomes for the following years.

6. Equality and Diversity Implications

- 6.1 Progressing the proposed CAT will support a number of Brent's equalities objectives. The proposals provide for community engagement and involvement, safeguarding and enhancing the sports facilities by providing opportunities for adults and children to use the adjacent sports grounds as part of a community based approach.
- 6.2 The marketing process aimed to ensure that all eligible organisations had equality of opportunity and could put forward an application, with marketing resulting in one application being received.
- 6.3 KCRFC has an equalities policy that broadly aligns with the Council's. KCRFC is an experienced sports operator their bid provides the opportunity to not only continue the service but to enhance it and create increased opportunity for adults and young people to participate in sporting activities.

7. Staffing/Accommodation Implications

- 7.1 There are no staffing implications that arise directly from this report.
- 7.2 There are no accommodation implications that arise other than the fundamental property matters that are described in detail throughout this report.

8. Additional Information

Appendix 1. Site Plan
Appendix 2. Application Evaluation
Appendix 3. Equality Analysis

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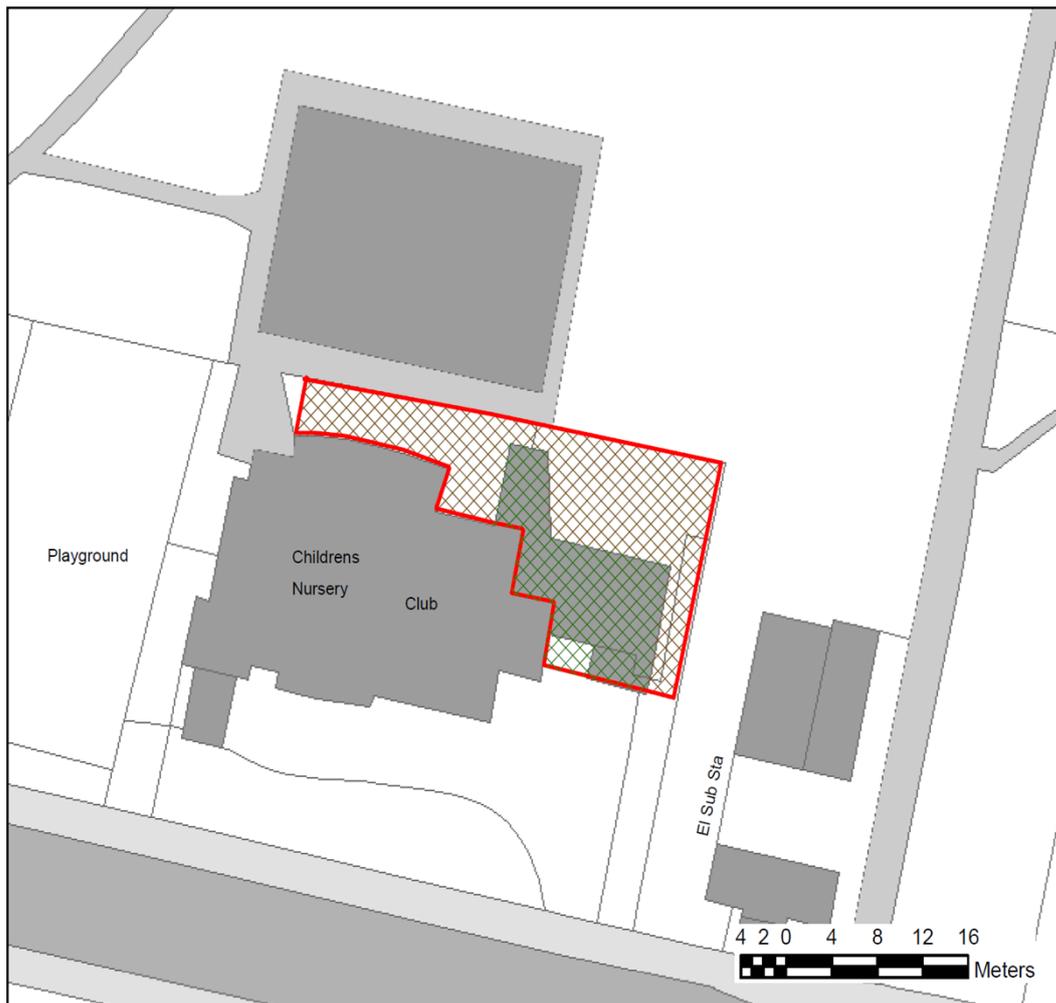
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ALTHEA LODERICK

Strategic Director of Resources

Appendix 1. Site Plan

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



 Area to be Demised  External Premises  Internal Premises



1:500

Plan to stated scale if printed at A4.

NORTH



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Appendix 2. Application Evaluation

Criteria	Kilburn Cosmos Rugby Football Club
1. Qualifying organisation	Yes.
2a. Properly constituted and governed.	Yes. The articles of association set out the manner in which the KCRFC operates and is supervised by its Committee. The club is accredited by and affiliated to the Rugby Football Union (RFU) and currently has an application with HMRC to be recognised as a Community Amateur Sports Club (CASC).
2b. Skill and Capacity to manage asset and provide service	They have operated as rugby club for twenty years. They have an elected committee that is responsible for the day to day running of the club and an appointed representative from both the RFU and the Middlesex RFU who supports the club. They have a large membership pool from which they can call for volunteers when needed.
2c. Accounts demonstrate ability to take on asset and deliver service	There is currently no legal requirement to audit the club accounts and the committee and directors do not consider there is a need. They have supplied accounts filed with companies house for the years ending 31/07/2014 and 31/07/2015, with management accounts for the period ending 31/07/2016, which are to be filed shortly
2d. Experience of delivering similar projects	They have held a Tenancy at Will on the clubhouse in Gladstone Park for a number of years and have been responsible for its upkeep and improvement during that time
2e. Copy of equality policy	Yes
2f. Consortium	No
3. Analysis of heads of terms.	Rental offer £5,500 per annum on a 7 year lease, with a four months rent free period from the commencement of the lease term.
4. Service Offer.	They are a RFU accredited community based rugby club – the only rugby club in Brent. They offer sports coaching and participation in organised rugby matches for seniors (Men and Women) and Juniors (ages 6 – 16). They have an active playing membership of over 100 seniors and over 120 juniors as well as a club register of over thirty local volunteers who ensure that the club is able to function They propose to continue to offer rugby in the community, to promote health and wellbeing, to continue to offer school and community outreach so as to offer involvement in sport across all age groups

5. Social value test.

Better Lives

Enabling people to live better lives.

1.1 Health & fitness opportunities created for local people resulting from the CAT

Year 1 - £95,040

Year 2 - £103,680

1.2.1 Generating jobs for local people-

Full time

Year 1 - £0

Year 2 - £0

1.2.2 Part time

Year 1 - £0

Year 2 - £0

Supporting local enterprise -

1.3.1 Brents SME's in supply chain -

Year 1 - £24,000

Year 2 - £6,000

1.3.2 Free use of assets to SME -

Year 1-£724.

Year 2 -£724.

1.4. Making sure our schools are the best.

Year 1 - £17,380

Year 2 - £17,380

Better Place

Making sure Brent is a better place to live.

2.1 Upkeep of associated sports fields

Year 1 - £0

Year 2 - £0

2.2 Increase the supply of good quality arts & leisure facilities

Year 1 - £20,000

Year 2 - £3,000

	<p><u>Better Locally</u> Building resilience & promoting local community. 3.1.1 Number of volunteering opportunities created through the CAT Year 1 - £0 Year 2 - £0 3.1.2 Accessing for social & community activities for local people. Year 1 - £0 Year 2 - £0 3.2 Building partnerships Year 1 - £603 Year 2 - £603</p> <p><u>Other Measures</u> 4.1 Other measures hours Year 1 - £240 Year 2 - £240 4.2 Other measures pounds Year 1 - £0 Year 2 - £0</p> <p><u>Sum of Social Value</u> Year 1 - £204,000 Year 2 - £232,000</p>
6. Equalities outcomes	Have indicated a positive outcomes for disability, gender identity, race, religion & belief, sex, sexual orientation.
6a. Inclusive to all	Yes
7. Equality monitoring.	Brent standard equalities monitoring questions were fully completed and received in the equalities section.
8. Connection or interest.	None noted

