

Report to Cabinet Member for Finance and Resources

Decision to be taken on or after 29 August 2012

**Decision can normally be implemented at least
3 working days after decision has been signed.**

Cabinet Member Report No. R15.12

Title: COMMUNITY ASSET TRANSFER – IIVINGHOE OLD SCHOOL
Date: 16 August 2012
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Local members affected: Avril Davies, Iivinghoe

For press enquiries concerning this report, please contact the media office on 01296 382444

This decision is being taken under the general exception rule (Section 15 of the Access to Information Standing Orders in the Constitution). The reason the decision is urgent is that an application to the BIG Lottery Village SOS requires a firm letter of offer from BCC regarding the community asset transfer by 7 September 2012.

Summary

1. In 1996, BCC declared the Iivinghoe Village Centre surplus and leased it to the Parish Council. Following the closure of a number of linked community facilities, the Parish Council surrendered the lease, as it was unable to meet the rent and maintenance costs.
2. A local community group Iivinghoe SOS group (SOS) submitted a community asset transfer proposal in October 2011 to create a community hub to benefit Iivinghoe and nearby communities. The proposal has progressed through the evaluation process outlined in the Council's community asset transfer policy, being closely scrutinised at each stage.



INVESTOR IN PEOPLE



3. If the Ivinghoe SOS Community enterprise proves successful, the benefits to the Ivinghoe and Pitstone communities will be considerable and also to the County Council, particularly in terms of meeting the Council's aims of:
 - Working with communities and partners to tackle disadvantage and promote equality of opportunity
 - Encouraging people and communities to help themselves
 - Supporting vulnerable children and families
 - The ageing population and planning for the future

Recommendation

The Cabinet Member is recommended to approve that a full repairing 25 year lease on peppercorn rent be granted to Ivinghoe SOS, with an option to transfer the freehold during the term of the lease.

A. Narrative setting out the reasons for the decision

4. This proposal provides a positive offering to the community, meeting the aims of the County Council's corporate plan in that SOS will create a fully-accessible hub to complement existing community facilities.
5. The activities offered will benefit all sectors of the community, particularly the elderly, people who are unemployed, recently bereaved and parents with young children. The community hub will also support and be supported by the creation of two social enterprises, thereby supporting the local economy.
6. Ivinghoe SOS has modelled 5 different options with respect to rent and maintenance responsibilities. The preferred option of both Ivinghoe SOS and the Council officers that have been involved in the proposal evaluation is the building transferring in its current condition on a 25 year lease at peppercorn rent with full repairing responsibilities and the option for the freehold to be transferred to the group. This preferred option was endorsed by the County Council's Business Investment Group at its meeting on 16th August 2012.
7. Under this option the duty of care responsibilities are transferred wholly to the organisation along with the lease and an option to have the freehold transferred at a later date. There will be break clauses in the lease to allow for return of the building to BCC if the project fails and allow the County Council to dispose of the building on the open market. There will also be claw back agreements and covenants put in place regarding the future sale of the building should SOS purchase the freehold.
8. A recent structural report and valuation of the building formed part of the consideration of the proposal. In its current condition and with its established community use, the market value of the building is estimated as nil. Planning issues, due to access concerns, restrict the value of the building for a changed use such as residential. However, a commercial value may be in the region of £140k.
9. Ivinghoe SOS community hub could be operational, albeit with reduced initial income, within four to six months from the date of approval.
10. The outcome of the Cabinet member decision is eagerly awaited by Ivinghoe SOS as an application to the BIG Lottery Village SOS requires a firm letter of offer from BCC regarding the community asset transfer 7 September 2012.

11. If the community hub is a success, this is the best outcome for both Ivinghoe/Pitstone local residents and Buckinghamshire County Council. Should the venture prove not to be viable, then at least the local community will have had the opportunity to do all that it can to retain this asset for the benefit of the community. The building, almost certainly in better repair than at present, would revert to BCC for commercial or alternative disposal.

B. Other options available, and their pros and cons

Community asset transfer options:

12. Only Ivinghoe SOS submitted a proposal for community asset transfer. In addition to the recommended option, four other options were modelled by the SOS Group and considered by the Business Investment Group. The 4 options included variations on:

- The Council bringing the building up to a good state of repair (estimated cost £150k to £200k)
- Ongoing maintenance responsibilities being retained by the Council or being shared with Ivinghoe SOS
- Rental ranging from £5,500 p.a. to peppercorn

13. The recommended option is the preferred option as it reduces the financial liability of the Council whilst allowing Ivinghoe SOS to access an increased number of funding opportunities and provides the group with the greatest stake in the future of the building when the freehold transfers. This proposal is also wholly in line with the objectives of the Community Asset Transfer policy.

Commercial disposal:

14. A disposal value in the region of £140k may be realised if a speculative purchaser is prepared to purchase the building in its current condition in anticipation of securing change of use.

15. Aylesbury Vale District Council has advised that whilst change of use would be acceptable in principle, the site's lack of vehicular access from the public highway would be unacceptable in relation to change of use to residential.

16. These access issues would be hard to resolve and probably costly to the Council. In the meantime, the Council would have to meet ongoing maintenance of this dilapidated and deteriorating building whilst seeking a commercial purchaser.

17. In the knowledge that there is a community asset transfer proposal which meets the Council's CAT policy, commercial disposal is not the recommended option.

C. Resource implications

Capital

18. The recommendation to transfer the property at peppercorn rent with a view to a future transfer of the freehold at community value will forgo a capital receipt through commercial disposal which may be in the region of £140k. The Council's Community Asset Transfer policy and wider benefits of this proposal have been part of this consideration to forgo the capital receipt which might be achieved through commercial disposal.

Revenue

19. The recommendation will release the Council of all ongoing maintenance responsibilities for the property.

D. Value for Money (VfM) Self Assessment

Effectiveness

20. The proposal will allow important community-based services to be available to people living in the Ivinghoe and Pitstone area and provide a base for collaborative services with BCC and other public services in the area. This has important implications in boosting community resilience and capacity. In addition, the proposal gives expression to the vision and objectives of the Big Society and fits with the Community Asset Transfer strategy.

Efficiency

21. The proposal will increase efficiency by expanding the range of services on offer, to make it a resource for the whole community and bring this now empty building into intensive use.

Economy

22. The community asset transfer will involve the County Council foregoing the loss of a receipt for the site for alternative use such as conversion to a private dwelling. However, although difficult to quantify, the wider community benefit will reduce social isolation and provide preventative services which in time will reduce demand upon Council-funded services.

23. In terms of benefit to the local economy, the community hub will offer a facility for small businesses and local entrepreneurs to use computer/IT facilities and also network with others. It will offer training and support to community members who do not have IT skills. Several businesses will operate within the hub offering the potential of job creation and supporting local entrepreneurs.

E. Legal implications

24. Advice has been sought from the Head of Legal and Democratic Services who confirms that there are no legal impediments to the Council disposing of the building under its asset transfer policy to Ivinghoe SOS on the terms proposed.

F. Property implications

25. Place Service (Property) has been involved in the development and subsequent evaluation of the proposal. It is in line with the Community Asset Transfer policy.

G. Other implications/issues

26. The local Member, Avril Davies, has raised concerns for what could happen to the building if purchased speculatively: 'this lovely building could be boarded up and left, as is our Victorian chapel, until the economic climate improves and enough money can be thrown at it to overcome planning hurdles, which could be years off. The chapel has already been boarded up for at least 2 years'.

H. Feedback from consultation, Local Area Forums and Local Member views

27. The Ivinghoe SOS Group has consulted with the local community about its proposals in a survey sent out in 2011 and prior to the Stage 1 submission. It also held an open day event on 25 May 2012 to show the local community what is proposed and to enable the local

community to come forward with other ideas. Letters of support have been received from the Church, Parish Council and the local Primary School

28. Council services have indicated broad support for what is being offered:
- The project seeks to reduce social isolation which positively contributes to Adult Social Care's Prevention strategy as well as other Council priorities.
 - There is broad support within other BCC services for the proposal, particularly the potential to increase our capacity to work with the local community. This includes the Youth Service working with targeted groups and linking with the local youth group, Waste Reduction linking with Food Champions and Master Composters, the work of the local Children's Centre being complemented and enhanced by the additional amenities and facilities for young families, and Adult Social Care which noted that the venture would be of value to the community.
29. External agencies, such as Buckinghamshire PCT, considered the project impressive with objectives in line with national and local priorities.
30. The Local Area Forum (LAF) was not consulted but the project meets the local priorities set by the Great Brickhill, Wing & Ivinghoe LAF including
- Reducing social isolation for older and vulnerable people
 - Activities and facilities for young people aged 11+.
31. The local Member, Avril Davies, supports this proposal – it offers benefit to the local community, including enhanced community resilience, providing opportunities for local residents and using key skills of local community members to potentially create a thriving community facility. In summing up, she states that “the County has nothing to lose and everything to gain from offering this building on a limited lease, which can be terminated/ reviewed at any time. The structure of the building can be assured by grant funding unavailable to the Council; and the project has the potential to provide jobs, support local entrepreneurs, increase cultural and arts opportunities to a wider community, and provide a community hub for those at risk of isolation or reduced social opportunities”.

I. Communication issues

32. Ivinghoe SOS has been communicated with at all stages and the Cabinet Member decision will be reported back to them in writing.
33. If the decision is to proceed with asset transfer, a letter will be swiftly provided which will meet the requirements of the Big Lottery to allow the grant application to proceed.

J. Progress Monitoring

34. The lease agreement will contain specific requirements that the SOS group will need to meet in terms of the renovation of the structure/maintenance of the building.
35. If the decision is to proceed with the asset transfer, Locality Services and the Place Service (Property) will work closely with Ivinghoe SOS to formally transfer the property as soon as possible and provide any other support that may be required to assist the success of the proposal.

Background Papers

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on 28 August 2012. This can be done by telephone (to 01296 383610), Fax (to 01296 382538), or e-mail to cabinet@buckscc.gov.uk