

Report



Cabinet Member for Infrastructure and Assets

Part 1

Date 5 April 2024

Subject **Eveswell Community Centre– proposal for Community Asset Transfer to the Toc H Charity**

Purpose To seek approval from the Cabinet Member for Infrastructure and Assets to a Community Asset Transfer (CAT) of the Eveswell Community Centre site to the Toc H charity. Pending the submission of a final business plan and due diligence checks, including confirmation of appropriate capital funding.

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Ward Beechwood

Summary The Council have been approached by the national charity Toc H who have submitted an expression of interest for the Community Asset Transfer of the Eveswell Community Centre site, including the building currently leased by the council to the Good Companions Club. This proposal has the potential to bring a currently under-utilised site 'back-to-life' as the focus for a range of community activities.

The report supports the redevelopment of the site Toc H intend to submit an application for capital funding through the Community Ownership Fund in April. The funding application by Toc H will be significantly strengthened if they receive confirmation of NCC's agreement to their proposal (subject to due diligence) and this report seeks that in principle support.

The proposal to transfer the asset to a community-based organisation in a sustainable way by way of a 25 year lease (subject to appropriate funding and due diligence) is supported by the Council's Corporate Plan and draft Strategic Asset Management Plan.

Proposal To support the CAT transfer approach by Toc H, agreeing a 25-year lease subject to due diligence checks and analysis of the final business plan.

Action by Head of Housing and Communities, Head of People Policy and Transformation

Timetable Immediate

This report was prepared after consultation with:

Head of Finance
Head of Law and Standards
Head of People, Policy, and Transformation

Signed

Background

The Council's Corporate Plan 2022-27 sets out the Council's objectives and how we will achieve these, including enabling communities to make best use of land and property through community asset transfer (CAT).

Newport City Council (NCC) recognises that CAT can be a valuable part of supporting and sustaining the third sector in Newport and wishes to ensure Council assets are managed by the people who regularly use them, while appropriately managing risks to the Council. NCC have been approached by the national charity Toc H who have submitted an expression of interest for the CAT of the Eveswell Community Centre site, including the building currently leased by the council to the Good Companions Club. This proposal has the potential to bring a currently under-utilised site 'back-to-life' as the focus for a range of community activities.

To support the redevelopment of the site Toc H intend to submit an application for capital funding through the Community Ownership Fund. The deadline for submission of applications in the current funding round is April 10th 2024. The funding application by Toc H will be significantly strengthened if they receive confirmation of NCC's agreement to their proposal (subject to due diligence).

Final terms for the granting of a lease of the site would be dependent upon the submission of a final business plan by Toc H, with robust evidence that a financial model and capital funding is in place to alleviate the on-going financial risk to the council.

1. Eveswell Community Centre Site

The site is located within the Maindee area of the City in the Beechwood Ward. The site occupies an area of 1100 sq metres and contains two buildings delivering three separate but similar functions.

1.1 Eveswell Community Centre

The largest of the two building includes the Eveswell Community Centre and an adjoining hall used by Toc H to deliver a range of community activities. The Centre has not re-opened following Covid due to on-going resource and staffing challenges within the Community Centres team.

1.2 Toc H Hall

Toc H have a historic agreement to sole use of the adjoining hall. Toc H run a number of activities each week from the hall which appear to be well attended. No payment is received from Toc H for use of this hall.

1.3 The Good Companions Club (GCC)

The GCC is a small separate building on the site, which is run by volunteers. We have no information available on the level of use at the site. Toc H are aware of the need to work with this group on any future redevelopment plans.

1.4 Current Use

Overall, with the possible exception of the Toc H hall, levels of community engagement and use of these community buildings is low. The site is centrally located with significant potential to be used more effectively. However, as things currently stand the site is unlikely to be able to meet that potential due to –

- Older buildings in poor condition - significant backlog maintenance at the site estimated at £650k, the site was last valued at £165,000 (November 2023).

- There are 3 organisations working from the site leading to a confusing offer to the community.

The Community Centre is not in a position to take room hire bookings at the moment and in order to do so, the site would need refurbishment and staffing resource. The minimum staffing required would be a 0.5 FTE caretaker/cleaner at an estimated cost of £15k p.a. Based on current utilisation of similar sites the council projected an income of income of £7.5k per annum. This would lead to an operating loss of £12k. Without sufficient income to provide a surplus no funding is currently available to invest in the building.

1.5 Ownership

The Eveswell Community Centre and Good Companion sites are both registered to Newport City Council as owners under an absolute freehold title.

The Community Centre land is subject to a covenant set out in a 1953 a conveyance which prohibits the use of the land for the production or sale of alcohol, or for use as a public dance hall and the observance of the terms of this covenant would be a term of any lease granted to Toc H.

2. Toc H Proposal

Toc H have submitted an initial business plan to NCC for a Community Asset Transfer (CAT) for the whole of the Eveswell Community Centre site.

Toc H is incorporated by Royal Charter and registered as a charity in England and Wales with the Charity Commission (No 211042). It has been active in Newport since the 1950's and has had an agreement with Newport City Council for the use of part of the Eveswell Community Centre for at least 30 years.

The Toc H mission charitable purpose is focussed on the development of the 'common good'.

2.1. Toc H –Business Plan

Toc H's approach is based upon either a transfer of the freehold or a long-term lease of the full Eveswell site under a Community Asset Transfer. The site will be supported by a part-time Community Development role and will be overseen by a volunteer Management Committee.

As a long-established group delivering from the site there is significant potential for Toc H to develop their offer to meet their stated aims and develop the site as a flexible space serving the local community. In comparison, the on-going financial challenges faced by local authorities means the Community Centres team lacks the resources required to turn the site around, should it be retained under NCC ownership.

Toc H's status as an organisation with a long history in Newport, backed by a national management structure, provides significant resilience to the bid.

2.2 Community Impact

In their initial business plan Toc H have outlined a range of positive community impacts that their investment at the site will support. The 4 main areas of work and key actions are listed below –

- ✓ Growing Local Society
 - Community Centre fully open and delivering a range of activities.

- Residents volunteering in the local community
- Active partnerships with other local organisations
- ✓ Developing Individuals
 - Centre operating as a safe, friendly space open to all.
 - Local skills initiatives (e.g. Mental Health First Aid)
 - Communal space for peer support and residential groups (e.g. Men in Sheds)
- ✓ Delivering high quality, co-produced services
 - Good quality research about local need in place
 - Partnerships with key stakeholders – e.g. NHS; Vol Sector, local authority
- ✓ Creating sustainable resources
 - Volunteering and employment placements
 - Employability and skills development

2.3 Community Ownership Fund Grant

Toc H will apply to the Community Ownership Fund (a UK government capital grant), for c.£300k to develop the physical site. To date, the organisation has secured £10k funding via the non-profit organisation DTA Wales to fund the preparation of the CoF application. The stated intention is to renovate both the main building and Good Companions Club, internally and externally, and to create a more ecologically friendly structure. In order to make this application, they need agreement from NCC to grant them an interest in the site, with the understanding that the final decision satisfactorily pass through a process of due diligence and ratification by the Council.

2.4 Good Companions Club (GCC)

Throughout the asset transfer process officers will work with Toc H and the Good Companions Club to ensure that the Good Companions group are not marginalised by this process. A detailed overview of how Toc H will work with GCC will be required as part of the final Toc H business case.

3. Community Asset Transfer process

The NCC Community Asset Transfer policy is currently being redeveloped. The draft policy supports the use of short- and long-term leases. In accordance with the Community Asset Transfer policy, it is proposed that a 25-year lease of the whole site be granted to Toc H, subject to due diligence, rather than the freehold transfer requested by Toc H. The provision of a longer term-lease will meet the requirements of prospective grant funders, whilst allowing NCC to maintain control and oversight of the property through the terms of the lease. It would be a term of the lease that Toc H would be responsible for repairing and maintaining the building.

The Toc H proposal will meet the key requirement to retain and improve benefit to the community. Toc H have committed to developing their current offer as part of their initial business plan and there is evidence that the approach is sustainable into the longer term. A communications plan will be developed to inform residents of the transfer and highlight the benefits of Community Asset Transfer. This will explain that Toc H are responsible for the redevelopment of the site and that as part of the transfer the council has divested itself of liabilities for the future maintenance of the site.

Financial Summary

Community Asset Transfer of this site to Toc H will provide revenue savings of circa 19k on running costs, statutory checks and maintenance and NNDR.

| Expenditure | Budget | Pressure | Combined |
|--------------|--------------|-------------|--------------|
| Utilities | 8787 | 0 | 8787 |
| Rates | 0 | 4832 | 4832 |
| Response | 0 | 2000 | 2000 |
| Misc | 3221 | 0 | 3221 |
| Total | 12008 | 6832 | 18840 |

Capital Funding

The transfer of the site will alleviate the backlog maintenance pressure estimated at £650k. Transfer of the site via a long-term lease means the authority will not receive a capital receipt for the site. This will be offset by the removal of the backlog maintenance pressure.

Risks

| Risk | Impact (H/M/L) | Probability (H/M/L) | Mitigation actions | Risk owner |
|--|----------------|---------------------|--|--|
| Timeline – ToC H unable to meet grant deadline for Community Renewal Fund | H | L | Initial business case received. Established CAT process. Process underway | Toc H |
| Lack of experience of supporting CAT amongst officers risks transfer failure. | M | L | CAT policy in place Oversight through SAMG officer group and HOS Established national charity with less support demand | Head of Housing and Communities/ Head of People Policy and Transformation |
| Transfer is unviable – return to NCC in short/medium term | H | L | Stringent analysis of business plan Appropriate legal framework | Head of Housing and Communities/ |
| The council's arrangements with Toc H means that we retain liability for the building, including future costs. | H | L | Norse and the NCC legal team will support in drafting the transfer agreement, ensuring that all future liabilities are transferred to Toc H. | Head of Housing and Communities/ Head of People Policy and Transformation |

* Taking account of proposed mitigation measures

Links to Council Policies and Priorities

The approach from Toc H supports the Council's Corporate Plan 2022-27 including the following Well-being Objectives:

- Economy, Education and Skills – Newport is a thriving and growing city that offers excellent education and aspires to provide opportunities for all.

- Quality Social Care and Community Services – Newport is a supportive city where communities and care are at the heart of what we do.
- An Inclusive, Fair and Sustainable Council – Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core.

This is specifically demonstrated in ‘An Inclusive, Fair and Sustainable Council’ and the following action: Transform our neighbourhood and community services to enable communities to make best use of land and property through community asset transfer. The proposal is also supportive of the Strategic Asset Management Plan review (reported to Scrutiny March 2024).

The community asset transfer of the Eveswell Community Centre site will safeguard the existing building. By potentially making available capital funding, the future of the existing buildings will be secured and will secure investment to reduce the carbon footprint of the site. The lease agreement will ensure that any future works align with environmental standards which supports the Council’s Climate Change Plan.

Options Available and Considered

- Option One: To support the CAT transfer approach by Toc H, agreeing a 25-year lease subject to due diligence checks and analysis of the final business plan.
- Option Two: To delay the decision on the Toc H approach to publicise and review expressions of interest from other appropriate organisations.
- Option Three: To refuse the CAT request and invest in Eveswell Community Centre to re-open for public bookings. This would require significant capital investment in the maintenance backlog.
- Option Four: To close the whole site and offer for disposal and sale. This could generate a capital receipt of c.£165k but may not realise community benefit.
- Option Five: To transfer the freehold of the site to Toc H.

Preferred option and why

- Option One. The approach by Toc H, who have a long-standing presence on the site, presents a strong opportunity to improve the current community offer and maintain operation of an asset which could otherwise be at risk. There is community support for these proposals. Disposing of the asset via a 25 year lease as opposed to a very long lease or a transfer of the freehold would enable Toc H to carry on its operations from the site and unlock the potential identified above at the same time as enabling the Council to retain some control and oversight of the asset through the terms of the lease.

Comments of Chief Financial Officer

The report outlines a proposal to transfer the Eveswell Community Centre asset to Toc H, under a Community Asset Transfer. There is no proposed financial consideration for the transfer, with the main financial benefit being the avoidance of a circa £650k maintenance backlog, coupled with a small revenue budget saving of circa £12k.

It is important that any final agreement with Toc H is clear in that it discharges the Council from any ongoing revenue or capital maintenance liabilities. In addition, it will be necessary

for there to be close scrutiny of Toc H's business plan, prior to any final agreement, to ensure that they are sufficiently placed to meet the ongoing revenue costs associated with the site, so as to avoid a situation whereby the asset, and its associated liabilities, is returned to the Council.

Comments of Monitoring Officer

S.123 of the Local Government Act 1972 permits the Council to dispose of land owned by it in any way it wishes. Such power is subject to a duty to obtain best the best possible consideration for the disposal, however, the Welsh Ministers have granted an exemption from this duty where the undervalue does not exceed £2million and the disposal promotes and improves well-being. It would be advisable to obtain a valuation to indicate the rent the property would likely yield on the open market in order to establish whether the proposed disposal would be at an undervalue; if so, the Council must, as part of its due diligence, satisfy itself that it will promote and improve well-being.

In conducting its due diligence, the Council should have regard to the guidance published by the Welsh Government regarding Community Asset Transfers*, particularly the section concerning due diligence.

Subject to the above and noting the comments of the Chief Financial Officer above, it would appear that the proposed disposal could be an effective and viable means of securing the future use of this asset to its full potential as well as alleviating a significant maintenance burden on the part of the Council. The Head of Law and Standards should, in due course, be consulted with regard to the terms of the proposed lease in order to ensure that the Council is protected from any future liability for maintenance and that the Council's position is otherwise protected.

* <https://www.gov.wales/sites/default/files/publications/2019-10/cat%20guide.pdf> (page 11)

Comments of Head of People, Policy and Transformation

This report seeks Cabinet Member support on the potential Community Asset Transfer of the Eveswell Community Centre site to the Toc H charity via a 25-year lease, subject to the submission of a final business plan and due diligence checks, including confirmation of appropriate capital funding.

There are clear links to the Council's Corporate Plan 2022-27 vision of 'an ambitious, fairer, greener Newport for everyone', and supports its Well-being Objectives including Objective 4 (An Inclusive, Fair and Sustainable Council – Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core). Specifically, the action to 'Transform our neighbourhood and community services to enable communities to make best use of land and property through community asset transfer'.

A Fairness and Equalities Impact Assessment has been completed emphasising the principles of the Well-being of Future Generations (Wales) Act 2015 and considering its five ways of working. This supports the Council's Corporate Plan by preventing the loss of a community asset over the long-term ensuring a programme of activity that delivers social value and community benefit to the local community.

There are no staffing or HR related issues arising directly from this report.

Scrutiny Committees

Community Asset Transfer policy principles reviewed by Overview and Scrutiny Management Committee (March 2024) and previously by Place Committee.

Comments During All Member Consultation

Councillor D Davies:

If the Cabinet Member is minded to agree to the Community Asset Transfer of the Eveswell Community Centre site which includes the Good Companion Club to the charity ToCH, as a ward councillor for Beechwood I am supportive of this. As a ward Councillor I am a member of the ToCH committee and therefore understand the rationale and purpose in applying for the Community Asset Transfer.

ToCH is a registered reputable charity with a focus on 'the common good' The intent with the use of grant funding is to ensure that the local community will have a hub that will support individuals of all ages, improving their quality life, whilst strengthening relationships and improving health and well-being.

Eveswell Community Centre has not functioned for a number years and it's important that residents have somewhere that is local where they can turn to for advice and support. This is recognised by ToCH who envisage the site becoming sustainable and self-financing in going forward to ensure that the site becomes central to the local community within this area in Beechwood ward.

Councillor M Pimm:

I am fully supportive of the asset transfer to the community charity ToCH and encourage a speedy conclusion to this asset transfer so the whole of the community centre can be utilised and made use of this year.

I am involved with ToCH as a committee member and have seen first hand the positive work they have been involved within the local area over the past 12 months. I do believe the service and opportunities the community centre can offer will develop and improve with time. In an ideal world I would prefer to see all community spaces and community centres funded and supported by the local authority but unfortunately we are living in financially testing times after a decade of austerity and the continued cuts to local authority budgets have placed severe restrictions on the services and funding the local authority can offer the community they serve at present.

Response:

Ward members support for the proposal as set out above is noted.

Fairness and Equality Impact Assessment:

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

In developing this proposal officers have completed a Fairness and Equality Impact Assessment (FEIA) which can be found on the Council's [web site](#). The key conclusions of the FEIA are as follows:

- The council have engaged with relevant stakeholders such as the Good Companions Group. This will continue during the due diligence process.
- The proposals will not have a negative impact on people on people that share Protected Characteristics, people who experience inequalities because of socio-economic disadvantage or Welsh language stakeholders.

- The proposals will have a positive impact for a range of groups such as older people and people with a disability. There will be a neutral impact on other groups and Welsh Language stakeholders.
- Similarly, the regeneration of the site into a well-used community asset is likely to have a positive impact on inequality and groups who are disproportionately likely to experience poverty.
- The proposal supports the sustainable 5 sustainable development principals, for example, by preventing the loss of a community asset for the long term, supporting the council's Corporate Plan 2022-27 and its Well-being Objectives.

Consultation

Discussion with officers across the Council, Newport Norse and also Cabinet Member for Assets has supported the development of the proposal. The council have had initial discussions with Good Companions which will develop further should these proposals be accepted. We understand that Toc H have also entered consultation with Good Companions.

Cabinet Member for Community and Wellbeing is supportive of this proposal and ward members have been engaged in the development.

Background Papers

Draft CAT policy

Dated: 27 March 2024