

Cabinet Meeting	
Meeting Date	Wednesday 5 November 2014
Report Title	Quinton Hall Asset Transfer
Cabinet Member	Cllr Mike Whiting, Cabinet Member for Localism
SMT Lead	Pete Raine, Director of Regeneration
Head of Service	Emma Wiggins, Head of Economy and Community Services
Lead Officer	Sophia Ramm, Community Services Officer
Key Decision	No
Classification	Open
Forward Plan	Yes
Recommendations	<ol style="list-style-type: none"> 1. To transfer Quinton Hall to the Ichtus Trust on a 125 year lease. 2. To delegate authority to the Head of Economy and Community Services and the Head of Property Services to negotiate the final terms of the lease based up the Head of Terms in Appendix II to the report, in consultation with the Cabinet Member for Localism and the Cabinet Member for Finance. 3. The Council supports the Trust financially, by providing a tapered grant of £2,800 in 2014/15, £2,000 in 2015/16 and £800 in 2016/17

1 Purpose of Report and Executive Summary

- 1.1 This report provides SMT with an update on progress of Quinton Hall and options for a community asset transfer of Quinton Hall to the Ichtus Trust.

2 Background

- 2.1 Quinton Hall has been operated by AmicusHorizon since the housing stock transfer in 1990; please see Appendix I for the site plan. The hall at that time was utilised as a tenant's club house and has since served the residents of Quinton, providing community facilities including nursery provision. The hall is a wooden structure and is around 30 to 40 years old. Due to an error within the transfer papers in 1990 Swale Borough Council is the legal owner, although the intention was to transfer it to Swale Housing Association at the time. The error was discovered when AmicusHorizon took the decision to close the hall due to it not being fit for purpose.

- 2.2 Following a structural assessment the decision was taken in September 2012 to fund the remedial repairs of Quinton Hall. A further survey was undertaken in January 2014, which has concluded that the hall should be replaced as soon as possible ideally within one year. Reports will be completed annually to ensure that the building remains structurally sound.
- 2.3 Since the remedial work has been completed the hall has continued to be used by the Quinton Community Playgroup, providing early year's provision for 21 children for 5 morning sessions a week. The community usage of the hall has increased by the Salvation Army and AmicusHorizon providing youth clubs for 5-8 and 8-11 years.
- 2.4 Ichtus, the Trust behind Quinton Community Playgroup, now feel that they are in position to move forward with the full asset transfer. In the short term the Trust intend to proceed with the asset transfer of the current building. In the long term the Trust will fundraise in order to provide the community with a brand new purpose built Family Services Centre. Securing the tenure of the ground lease, this will enable them to do this.
- 2.5 Swale Borough Council currently runs the hall at a loss and no budget is assigned to the hall. The overspend is projected to be £3,000 per year. AmicusHorizon had previously agreed to support the hall for 3 years, until the Trust was in a position to take on the hall. The playgroup also currently provides £1,398 per year to use the facilities.

The table below shows the breakdown of expenditure for 2013/14.

	Actual
Income (fees and charges)	46.80
Recovery of costs (AmicusHorizon & Playgroup)	2,796.00
Total Income	2,842.80
Building/Ground Maintenance	953.93
Service Contracts	994.52
Utilities	679.55
Rates	1,524.60
Insurance	167.28
Trade Waste	369.01
Total Direct Expenditure	5,221.57
Balance	2378.77

- 2.6 Appendix III highlights the financial projections for the playgroup. There is a shortfall in income of £2,800. This shortfall will prevent them from continuing to run their services at the same level

3 Proposals

- 3.1 To transfer Quinton Hall to the Ichtus Trust on a 125 year lease.
- 3.2 To delegate authority to the Head of Economy and Community Services and the Head of Property Services to negotiate the final terms of the lease based up the Head of Terms in Appendix II to the report, in consultation with the Cabinet Member for Localism and the Cabinet Member for Finance.
- 3.3 The Council supports the Trust financially, by providing a tapered grant of £2,800 in 2014/15, £2,000 in 2015/16 and £800 in 2016/17.
- 3.4 It is not considered that the building has an alternative use and the existing building is at the end of its useful life. In the circumstances an internal valuation has been carried out and it is considered that the land will have a nominal value and therefore there will be no significant” under-value” associated with the disposal.

4 Alternative Options

- 4.1 The partnership agreement is extended by 12 months; this is not recommended as the Trust is currently in a position to take on the running of the hall.
- 4.2 The management of the hall is returned to SBC, this is not recommended as the officer resource used to manage and run the hall has been re-deployed and does not align with the proposals set out in the Asset Transfer Policy.
- 4.3 The hall is closed and the land is sold, this is not recommended as it is a well utilised community facility, which provides important local services.

5 Consultation Undertaken or Proposed

- 5.1 Consultation has taken place with the Asset Transfer Group, including representatives from Legal Services, Property Services and Finance.
- 5.2 Consultation was undertaken with local residents during the AmicusHorizon summer fete, August 2013.

6 Implications

Issue	Implications
Corporate Plan	The asset transfer of Quinton Hall assists with delivering the

	Localism priority within the Corporate Plan.
Financial, Resource and Property	<p>There is a requirement for grant funding over 2 years, there is however no base budget. Quinton Hall outgoings are currently covered by corporate underspend, and are projected to be around £3,000 per year. It is suggested that moving forward this is covered by the Localism Fund.</p> <p>Property will be transferred as stated in the asset transfer policy as per the Heads of Terms.</p>
Legal and Statutory	A lease and grant agreement will need to be prepared for the transfer and this will cover all statutory and legal obligations.
Crime and Disorder	Good management of the building will reduce likelihood of damage to the property.
Sustainability	<p>The Trust are aiming to run the building as sustainably as possible to ensure that the costs of the Trust are minimal.</p> <p>The replacement building will be more energy efficient, therefore ensuring that the costs to the Trust are further reduced.</p>
Health and Wellbeing	The Asset will be run by the Trust as a Children and Families Centre. This will have a positive impact on the local community as it is a very deprived area with health inequalities.
Risk Management and Health and Safety	<p>The main risks to this project are that the Trust fails and the grant agreement will provide an on-going dialogue with the Trust to monitor their progress and allow for mitigations to be put in place.</p> <p>Health and Safety risks will be the responsibility of the Trust going forward, during the partnership agreement support has been provided to the trust from the Health and Safety Officer.</p>
Equality and Diversity	The Asset Transfer Policy has been subjected to a Community Impact Assessment, no issues were identified. The Trust has an equalities policy in place and improvements have been made to the hall to ensure that it is compliant with the Disability and Discrimination Act.

7 Appendices

7.1 The following documents are to be published with this report and form part of the report:

- Appendix I: Quinton Hall Site Plan
- Appendix II: Heads of Terms
- Appendix III: Business Plan Financial Projections

8 Background Papers