

CABINET MEMBER DECISION RECORD TEMPLATE

This form should be used to record Executive decisions taken by Cabinet Members

Decision Ref. No:
Responsible Officer: Gary Platt, Head of Property
Subject: The Old School House, Gladstone Mews, Boscombe – Grant of Lease
Decision taken: To grant a lease to The Bournemouth 2026 Trust at a peppercorn rent for a term expiring 31 March 2020.
Reasons for the decision: It contributes towards the following Council priorities: <ul style="list-style-type: none"> • <i>An Efficient Council</i>, specifically the Corporate Plan objectives of managing sound finances, making the best use of Council assets and working in partnership. • <i>An Active Community</i> by providing regeneration opportunities in Boscombe. • <i>A Thriving Economy</i>, by facilitating a vibrant digital and creative business sector.
Call-in and Urgency: Subject to call-in.
Background: Cabinet on 25 July 2012 approved the transfer of the freehold interest in the former Bournemouth Centre for Community Arts to The Bournemouth 2026 Trust in two phases. Phase 1 was the transfer of 11 affordable homes and phase 2 the transfer of the creative hub, now known as The Old School House. Both transfers were subject to the approval of full business case by the both the Council and the Trust. An Agreement for Sale was subsequently signed by both parties on 11 September 2014 and the phase 1 transfer completed on the same date. All 11 houses were then sold on shared-ownership agreements and the new development is now fully occupied. Initially, The Old School House and car park, shown edged red on the attached plan, had been operated by the Council with grant funding from the European Union. It had been intended that The Bournemouth 2026 Trust would take over the building once this funding ceased. As a result, the business case for the transfer of The Old School House was not considered until 08 July 2015. Unfortunately, the business case, prepared by consultants on behalf of the Trust, identified concerns about the long-term financial viability, particularly in respect of the ongoing maintenance costs of this Grade II Listed building. As a consequence, the Trustees declined to proceed with the phase 2 transfer. Instead, they sought a lease of the building on terms that mitigated the risks to the Trust. Following negotiations it is proposed to proceed by way of a lease to The Bournemouth 2026 Trust at a peppercorn rent for a term expiring 31 March 2020.

The Council will be responsible for repairs to the structure, with the Trust undertaking non-structural repairs and decoration. The Trust will not be required to remedy specified defects existing at the start of the lease. The lease will incorporate an annual break clause in favour of the Trust.

These terms are recommended for approval.

Options - and reasons for rejection:

For the Council to continue managing the Old School House. This is not considered financially viable – see below.

Consultations undertaken:

The Cabinet report of 25 July 2012, which recommended proceeding with a transfer to the Bournemouth 2026 Trust, was subject to extensive consultation. Since this decision relates only to a change of the terms of the Trust's use of the building, no further consultation has been undertaken.

Finance/Resource Implications:

Income from the creative hub during 2015/16 is estimated to be approximately £33,000. Expenditure over the same period is estimated to be circa £68,000, resulting in a shortfall of £35,000. This shortfall is funded in the current financial year through the Community Regeneration budget following cessation of European funding in March 2015. This is unsustainable in the long-term.

Under the terms agreed, The Bournemouth 2026 will become responsible for all staffing and running costs at the Old School House and will generate income from the building. This transfer will result in an overall saving of circa £35,000 p.a. to the Council based on current income levels. In addition, the Council is currently responsible for all repairs to the Old School House. The terms agreed ~~is~~ will transfer a significant portion of this repairing responsibility, reducing the burden on centralised repair budgets. Bournemouth 2026 will be eligible to apply for charitable rate relief, will reduce staffing costs and will look to grow the take-up in the creative hub to eliminate this shortfall and potentially generate a surplus.

Given the restrictive terms of the EU grant conditions, the terms of this lease represent best consideration. The grant, totalling £208,000, would be repayable if these terms were breached.

Name: *A. Richards*

Signature: (of Chief Finance Officer)

Date: *3/3/16*

Legal implications:

The Old School House was Listed under the Localism Act as an Asset of Community Value on 10 September 2015. This means that a special procedure must be followed if the asset is to be sold. However, since it is proposed to grant a lease of under 25 years, this transaction is not subject to those provisions.

The Cabinet report of 25 July 2012 noted that the proposed disposal to the Bournemouth 2026 Trust represented a sale at a discount but noted that the council could rely on Circular 06/03: Local Government Act 1972 general disposal consent (England) 2003 disposal of land for less than the best consideration to authorise this transaction. This remains the case.

Under the terms of the European funding used for the conversion and refurbishment of the Old School House, there is a requirement for the site to continue operating as a creative hub until 2020. The terms agreed with The Bournemouth 2026 Trust is fully in compliance with this obligation.

No staff will transfer under these arrangements and therefore TUPE will not apply.

Name: TANYA COURTNEY **Signature:**
Date: 2/3/16

Risk assessment:

A risk assessment shows this to be low-risk

Name: Gary Platt **Signature:**

Date: 1/3/2016

Impact Assessments:

An Equalities Impact Needs Assessment Screening Record and an Environment Impact Checklist has been completed. The proposal is to grant of a lease, which will not impact on the use of the building nor the services provided from it. Therefore, there will be no impact, positive or negative, in terms of equalities or environmental issues.

Information for/not for publication:

For Publication

Background papers:

EINA Screening Record
Environment Impact Checklist
Initial Risk Assessment
Report to Cabinet on 25 July 2012 entitled, "Site of the Former Bournemouth Centre for Community Arts (BCCA)"

Any conflict of interest declared by a Cabinet Member who is consulted by the Member taking the decision	Name of Cabinet Member	Nature of interest	Details of any dispensation granted by the Monitoring Officer
The Cabinet Member for Regeneration & Public Health has a potential conflict of interest and therefore was not consulted	Councillor Jane Kelly	Trustee of The Bournemouth 2026 Trust	N/A

Decision taken by:

Councillor John Beesley, Leader of the Council and Portfolio Holder for Resources

Signed:

Date of decision:

6th March 2016

Date of publication of record of decision: 11-03-16

Date decision effective: 18-03-16

Former Bournemouth
Centre For Community
Arts, Boscombe -
Phase 2 Land

Scale

Date: 14 August 2012

Drawn by: John Swindell

Drawing No: 00CAex01/phase2

Total area of Land
outlined in red = 660m²



SERVICE DIRECTOR
TECHNICAL SERVICES
ROGER BALL

PROPERTY SERVICES



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EINA Screening Record

Title of Policy/Service/Project	The Old School House, Gladstone Mews, Boscombe - Grant of Lease
Date of screening	01/03/2016
Service Unit	Environment & Regeneration
Lead Responsible Officer	Gary Platt
Job Title	Head of Property
Members of the Assessment Team	Gary Platt, Martin Wilkins

If the answers to the following questions are Yes or Don't know, then a full EINA will need to be carried out.

Is there likely to be a positive or negative impact in terms of equalities?	No
Does it involve a significant commitment of resources?	No

It is not necessary at the screening stage to identify adverse or differential impact

It is important to remember that even when it is decided that a policy/service/project does not require an EINA, it remains subject to the general duties. Not carrying out a full EINA places our council at greater risk of legal challenge because it cannot use the EINA process to meet our [Public Duties](#) around equality. It also means, more importantly, that opportunities may have been missed to promote equality.

If you have answered no to the questions above and do not intend to carry out an EINA, please explain why?
The grant of a lease will merely transfer the management of the Old School House creative hub from Council control to a charitable trust. The services currently provided from the premises will be unaffected by these revised arrangements.

Issue: The Old School House, Gladstone Mews, Boscombe - Grant of Lease
 Meeting Date: 01 March 2016
 Accountable Manager: Gary Platt
 Impact Assessor: Gary Platt ☎ 01202 451477 ✉ gary.platt@bournemouth.gov.uk

Key	
+	Balance of positive Impacts
?	Balanced or unclear impacts
-	Balance of negative impacts
n/a	Not applicable

Impact Criteria	Impact	Comments
Natural resources impact on use of natural resources - for example energy, water, raw materials	-	The grant of a lease will not impact on the use of the building nor the services provided from it. Therefore it will have no impact, positive or negative, in terms of natural resources.
Quality of environment contribution to safe and supportive environments for living, recreation and working	-	The grant of a lease will not impact on the use of the building nor the services provided from it. Therefore it will have no impact, positive or negative, in terms of quality of environment.
Bio-diversity protects and improves wildlife and habitats	-	The grant of a lease will not impact on the use of the building nor the services provided from it. Therefore it will have no impact, positive or negative, in terms of bio-diversity.
Waste and pollution effects on air, land and water from waste and emissions	-	The grant of a lease will not impact on the use of the building nor the services provided from it. Therefore it will have no impact, positive or negative, in terms of waste and pollution.
Council Priority and Objectives for Improving our Environment: <ul style="list-style-type: none"> • Reduce traffic congestion • Improve streetscene • Improve recycling & energy management • Respond to climate change • Improve quality of existing space 	-	The grant of a lease will not impact on the use of the building nor the services provided from it. Therefore it will have no impact, positive or negative, in terms of Council priorities and objectives for improving our environment.

Please complete and save your checklist, and email a copy to Lee Green, Environment Strategy & Sustainability Manager @ lee.green@bournemouth.gov.uk

G2 Initial Risk Assessment



PROJECT NAME:

Old School House, Gladstone Mews, Boscombe - Grant of Lease

PROJECT NUMBER: *To be obtained from PMO*

PROJECT RISK LEVEL:

LOW *

Table 1 - Suggested criteria on which to score the type of project (please tick appropriate category)					
CRITERIA				Score	
1) Duration of Project	0-6 months <input type="radio"/>	7-12 months <input type="radio"/>	Above 1 year <input checked="" type="radio"/>	6	
2) Effort	1-4 people (FTE) <input checked="" type="radio"/>	5-10 people (FTE) <input type="radio"/>	11+ people (FTE) <input type="radio"/>	1	
3) Business Impact	Service Unit/Service <input checked="" type="radio"/>	More than 1 SU <input type="radio"/>	Council/External <input type="radio"/>	3	
4) Priority	Desirable <input checked="" type="radio"/>	Highly Desirable <input type="radio"/>	Essential <input type="radio"/>	1	
5) Costs &/or Savings	Up to £250k <input checked="" type="radio"/>	£251k-£500k <input type="radio"/>	Over £501k or if project is to be funded through prudential borrowing <input type="radio"/>	2	
6) Risk Impact	Low Impact - Minor service disruption/inconvenience, minor injury, small financial loss, isolated service user complaint. <input checked="" type="radio"/>	Medium Impact - Service disruption, More serious injury or financial loss, adverse media coverage, numerous service user complaints <input type="radio"/>	High Impact - Significant or total service disruption, major disabling injury or fatality, high or catastrophic financial loss, adverse national media coverage, ministerial intervention in service running. <input type="radio"/>	1	
				Risk Score	14

A numerical rating is applied to each cell (see Table 1) For example a 'Priority' of 'Highly Desirable' is worth 3 points and a 'Cost' of '£501-£1m' is worth 5 points. Totalling the points scored for each 'criteria' gives a project score. This score is then mapped against a project-risk status in Table 1 below:

Table 1 - Risk Status	
Project Risk Rating	Points Total
Low	Between 10-18
Medium	Between 19-35
High	36+