
ASSET TRANSFER – JEDBURGH TOWN HALL

Joint Report by Corporate Transformation & Services Director and Service Director Commercial Services

Executive Committee

18 August 2015

1 PURPOSE AND SUMMARY

- 1.1 **This report seeks Member’s consideration of community asset transfer issues that have arisen since Executive approved, in principle, the Transfer of Jedburgh Town Hall to Jedburgh Leisure Facilities Trust (JLFT) at its meeting on 18 February 2014. The report considered at Executive on 18 February 2014 is attached at Appendix 1. The minute of that meeting is attached at Appendix 2.**
- 1.2 Since the decision in February 2014 there has been ongoing discussion about the possible Transfer of the Town Hall to JLFT. No satisfactory conclusion has been reached. Officers are now recommending that the decision to transfer the asset taken in February 2014 is set aside and that Town Hall is considered with all other similar assets as part of the Transfer of services to a Culture Trust. Council is likely to make a decision on this matter in October 2015

2 RECOMMENDATIONS

- 2.1 **It is recommended that the Executive Committee:**
 - a) **Agrees not to pursue the transfer of Jedburgh Town Hall to Jedburgh Leisure Facilities Trust at this time; and**
 - b) **Agrees to consider Jedburgh Town Hall as part of the possible transfer of similar assets and services to a Culture Trust.**

3 February 2014 Position and Subsequent Issues

- 3.1 Executive agreed at its meeting on 18 February 2014 to delegate authority to officers to grant a lease to Jedburgh Leisure Facilities Trust (JLFT). The lease to be supported by tapering revenue financial assistance of £30,000 in year one reducing by 20% per annum to £0 after five years. Appendices 1 and 2 refer.
- 3.2 Three issues have been of concern to officers since the Executive considered the matter. Firstly the business case was finely balanced and there has remained concern that it would be very difficult for JLFT to balance the financial position on an annual basis. Secondly the public consultation does not seem to have been carried out as thoroughly as at first understood.
- 3.3 Thirdly there has been an ongoing and public debate about the appropriateness of the Council providing a lease to JLFT on the terms agreed by Executive. The Community Council, JLFT, the public and Councillors have all expressed differing views on the specifics of the lease and officers have been in receipt of a range of differing views about the appropriateness of the terms of lease in correspondence they have received.
- 3.4 The Core issues identified in the debate centre around:
 - (a) The appropriateness of JLFT managing the Town Hall as opposed to the Council given the prominence and importance of the Town Hall to the wider community.
 - (b) The viability of the proposed business case. For the Council the central reason for undertaking a community asset transfer is for the community group taking on the facility to operate and run it at no cost to the Council. The community group should be in a better position to run the facility to meet community needs and generate an income to cover the costs.
 - (c) The proposed level of financial assistance along with the proposal to taper this to £0 over five years. It is worth noting that the principle of tapering support to £0 is consistent with previous Community Asset Transfers by the Council. Agreements to date include for example Chirnside Community Centre and Hawick Youth Centre. Tapering is agreed to give the community group more time to adjust to operating without Council revenue support.
 - (d) However, the tapering arrangement above is the highest level of revenue support currently available from the Council. In some instances community groups have taken transfers without Council revenue support including the Mens Shed, Langlee in Galashiels, Jedburgh former mortuary, St Abbs Community Hall and Birgham Community Hall. Whether a tapering arrangement is available is a matter of negotiation. But the position is that for new initiatives involving community activities that the Council wasn't previously providing revenue support for, revenue support is generally not available.
 - (e) Misunderstood comparison with the position of JLFT and its operation of the swimming pool with its proposed lease of the Town Hall. This comparison is erroneous as the terms of the lease for the Town Hall are under the powers available to the Council under the Disposal of Land by Local Authorities (Scotland) Regulations 2010 (a Community Asset Transfer) whereas the swimming pool is operated by JLFT under a service provision contract with an associated lease.

- (f) Misunderstood comparison with the possible position of comparable SBC properties under a transfer to a Culture Trust. Again the transfer to a Culture Trust would not be under the Disposal of Land by Local Authorities (Scotland) Regulations 2010 and consequently the financial terms would be different.
- (g) The Service Director Commercial Services has discussed with JLFT the use of £40k capital from the Property & Assets Programme for works to address condition and upgrades (in addition to the revenue support). As yet no agreement has been reached on the use of these funds, though it is likely the funds would be used to help upgrade the kitchen and replace the main hall floor.
- (h) Furthermore JLFT believe the £40k to be inadequate for the work required and wish to see an ongoing commitment from the Council in respect of upgrades, repairs and maintenance. Such an ongoing commitment would be inconsistent with the agreement reached previously on other Community Asset Transfers.
- (i) If JLFT were to take on Jedburgh Town Hall, ultimately, they would be expected to bear all upgrade, repair and maintenance costs (as with other transfers). It should be noted that with any community asset transfer through a lease, there is an "escape clause" allowing the group to terminate the lease and hand the keys back to the Council if the maintenance burden becomes too much for them, thus mitigating the risk of unforeseen major repairs.

3.5 It is clear that there is not yet unanimity of view within the Jedburgh Community about the principle of the proposed lease to JLFT nor the terms of the lease. On that basis officers have not exercised the delegated authority to grant the lease to JLFT.

4 Possible Options for Next Steps

4.1 There are several options open to the council. Consideration of the options is below:

(a) Adjusting the Community Asset Transfer Policy

One option is to consider adjusting the established policy in respect of Community Asset Transfers, the whole ethos of which has been to transfer properties to community management such that they are run in future at no cost to the Council, with the community better able to run facilities to meet community needs and generate income to cover the running costs. To date the maximum revenue support has tapered to zero over a five year period where Council revenue support was previously in place. Where no Council revenue support has previously been in place, then none has been given.

- (b) The Council could consider altering the policy to allow ongoing revenue support. However such a decision would almost certainly raise complaints from the organisations that have already successfully completed Transfers and are running their facilities without revenue support. It would also weaken the Council's ability to negotiate transfers in future because additional revenue funding would have to be found when a transfer is considered, which would be a huge barrier given the pressure on the Council to reduce costs across all services.

(c) Engage in further consultation to determine the way forward

Of greatest concern to officers has been the lack of unanimity of view within the Jedburgh Community. The Council could carry out some further consultation with interested groups. This could be informal and

led by Members or officers. It could be with individual interested groups or collectively as a single discussion with interested groups. One key objective of this consultation should be to clarify the position in respect of the decision made in February 2014. This should avoid further erroneous comparison with for example the possible Culture Trust. However, such consultation seems unlikely to address the fundamental issues around the business case and the view from JLFT that further revenue and capital funds are required.

- (d) It is clearly possible for Members to confirm that they wish consultation to be undertaken and for this to be a precursor to granting the lease to JLFT on the terms agreed by Executive in February 2014.
- (e) The Terms of the lease could be varied following consultation but this would require a further report to Executive. Officers suggest such a change should only be pursued following consultation with JLFT and other stakeholders.
- (f) Transfer to the new Culture Trust

Given the position with consideration of transferring Cultural Services to a new Culture Trust (last considered by Council on 25 June 2015) there is an option to set aside the February 2014 Executive decision and place Jedburgh Town Hall with comparable assets and services within the scope of this work. At present Council is scheduled to reach a decision on this service transfer on 8 October 2015.

5 IMPLICATIONS

5.1 Financial

There are no financial implications arising from the recommendations in this report, which if implemented, would see the current management and funding arrangements continue.

5.2 Risk and Mitigations

There is a risk of continued uncertainty over the management arrangements for Jedburgh Town Hall which is mitigated through adopting the recommendations in this report.

5.3 Equalities

An initial Equalities Impact Assessment has been carried out on this proposal and it is anticipated that there are no adverse equality implications.

5.4 Acting Sustainably

The proposals would ensure the continued use of an existing facility that forms an important focal point for Jedburgh.

5.5 Carbon Management

Adopting the proposals in this report would ensure continued provision of town hall facilities within Jedburgh encouraging the local population to remain in the locality rather than travelling to other areas for community orientated activity, so reducing their travel carbon footprint.

5.6 Rural Proofing

Adopting the recommendations in this report ensures continued provision of a facility that serves as a key focal point for Jedburgh and its surrounding rural area, so helping build community resilience.

5.7 Changes to Scheme of Administration or Scheme of Delegation

There are no changes to either the Scheme of Administration or the Scheme of Delegation as a result of the proposals in your report.

6 CONSULTATION

- 6.1 The Chief Financial Officer, the Service Director Regulatory Services as Monitoring Officer, the Chief Legal Officer, the Service Director Strategy and Policy, the Chief Officer Audit and Risk, the Chief Officer HR and the Clerk to the Council have been consulted and their comments have been incorporated into the final report.

Approved by

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Title Corporate Transformation & Services Director

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Background Papers: Report to Executive Committee, 18 February 2014

Previous Minute Reference: Executive Committee, 18 February 2014

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