

CULTURE, RECREATION & TOURISM CABINET MEMBER MEETING

Agenda Item 45

Brighton & Hove City Council

Subject:	Foredown Tower Update	
Date of Meeting:	7 December 2010	
Report of:	Strategic Director of Communities	
Contact Officer:	Janita Bagshawe	Tel: 292840
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Key Decision:	No	Forward Plan No.
Wards Affected:	Portslade North and Hangleton & Knoll	

1 SUMMARY AND POLICY CONTEXT:

- 1.1 In May 2010 the Hove & Adur Sea Cadets withdrew from negotiations with the Council over a lease agreement for Foredown Tower.
- 1.2 The Council has now been approached by Portslade Community College Adult Learning, working in partnership with the Green Gym, to enter into a lease agreement, along similar lines to that which had been drawn up for the Sea Cadets. It is anticipated that Portslade Community College, who will take the lead, will also wish to establish a Community Interest Company and for that Company to be the signatory to the lease agreement, a similar approach to the Sea Cadets.

2 RECOMMENDATIONS:

That the Cabinet Member for Culture, Recreation & Tourism authorise the Head of Tourism & Leisure (" the HTL") in consultation with: the Head of Legal & Democratic Services; and the Head of Property & Design to:-

- 2.1 enter into lease negotiations with Portslade Community College (PCC) using as a basis the Heads of Terms agreement which had been prepared for the Sea Cadets;
- 2.2 (when the HTL is ready) conclude the lease either with the PCC or with a Community Interest Company which would be established by PCC.

3 RELEVANT BACKGROUND INFORMATION/CHRONOLOGY OF KEY EVENTS

- 3.1 On 17 May 2010, the Hove & Adur Sea Cadets informed the Council in writing that they wished to withdraw from lease negotiations for the running of Foredown Tower.
- 3.2 In October 2010, following an initial approach, a very positive meeting was held with the Director of Adult Learning at Portslade Community College with regard to the possibility of entering into lease negotiations for Foredown Tower.
- 3.3 If successful negotiations can be held the intention would be for PCC to establish a Community Interest Company to take on a full repairing 25 year lease on a peppercorn rent for the Tower to establish it as:
- ◆ A centre for adult community courses
 - ◆ A community enterprise base for projects undertaken by 11-18 students
 - ◆ Provision of a base for the involvement of other local organisations interested in learning in the broadest sense
 - ◆ Ensure that the building is conserved as a local heritage site
 - ◆ Preserve the camera obscura and prepare volunteers to demonstrate it to the public at designated times
- 3.4 The management of the Tower by PCC presents a strong fit with the Council's desire to see community use of the building and preserve it as an important local landmark. The only other community group to have expressed interest in the property was the Sea Cadets.
- 3.5 PCC is very keen to move quickly on this, with the wish to take the building on from early 2011.
- 3.6 PCC is working in partnership with the Green Gym conservation group who would also have a storage area and workshop at the Tower and would be responsible for the maintenance of the garden area. The longer term intention would be to develop a wildlife garden on the site.

4 COMMUNITY INTEREST COMPANIES

- 4.1 The concept of a Community Interest Company ("CIC") was launched in 2005, as a custom-made vehicle for social enterprises that want to use their profits and assets for the public good. They have more flexibility and less regulation than charities, but more regulation than companies. They are governed by the Companies (Audit, Investigations and Community Enterprise) Act 2004 and the Community Interest Company Regulations 2005. CICs have similar requirements to other companies and are subject to dual regulation by Companies House and the CIC Regulator. A CIC cannot be a charity, although a charity may be able to convert to a CIC with Charity Commission consent. The members of a CIC make key decisions and a board of directors carry out day to day activities.

4.2 The key principles governing the operation of CICs which are relevant here are:

- (a) the Asset Lock;
- (b) the Community Interest Test; and
- (c) annual reporting.

4.3 The Asset Lock provides that assets, cash and property owned by the CIC can only be used for the stated community purpose and the CIC must name another asset locked body to receive any surplus assets upon winding up. If no such body is nominated the CIC Regulator will award the assets to a body which has the most similar objects.

In this case it is intended that Portslade Community College itself be named as the asset-locked body in the proposed CIC's Articles of Association.

4.4 To satisfy the Community Interest Test the CIC must demonstrate that a reasonable person would perceive their activities as being in the interests of the community, with the community not being unduly restricted or politically motivated.

4.5 An Annual CIC Report contains information such as directors' salaries, any assets transferred and a description of how it has benefited the community and involved stakeholders.

5 FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

The formation of the Community Interest Company allows the Trustees of Portslade Community College greater protection against personal liability, but should not impact financially upon the Council itself. The basic implications remain the same as in previous reports – that granting a full repairing lease (at peppercorn rent) would save the authority significant repair costs to the Tower, keep the building open for use and additionally provide a small revenue saving.

Finance Officer Consulted: Neil Smith

Date: 11 November 2010

5.2 Legal Implications:

The legal implications are considered above, notably in section 4 of the report. The next step would be to agree detailed Heads of Terms of the proposed Lease and the constitution of the Community Interest Company, along the lines referred to in the Recommendations.

Lawyer Consulted: Marten Matthews

Date: 23 November 2010

5.3 Equalities Implications:

The intended uses for the building are set out at 3.3-3.5. This will allow wide community use for the building and offer the opportunity for adult learning away from a school environment.

5.4 Sustainability Implications:

As has previously been stated, the Tower is not sustainable in its previous form as a visitor attraction.

5.5 Crime & Disorder Implications:

There are no direct crime and disorder implications.

5.6 Risk & Opportunity Management Implications:

There are no direct risk and opportunity management implications.

5.7 Corporate/Citywide Implications:

Agreement of a lease arrangement with Portslade Community College Adult Learning will enable an important community facility to be established, with a continuing, albeit restricted, ability to continue to run the Camera Obscura.

6 EVALUATION OF ANY ALTERNATIVE OPTION(S):

None.

7 REASONS FOR REPORT RECOMMENDATIONS:

- 7.1 Entering into a lease agreement with Portslade Community College Adult Learning will provide a community facility at Foredown Tower for community groups and secure the future of an important local building.

