

Clive Betts MP  
Chair, Housing, Communities and Local Government Committee  
House of Commons  
Westminster  
London  
SW1A 0AA

28<sup>h</sup> March 2018

Dear Mr Betts

### **Transfer of Local Government Assets to Community Groups.**

Since 2012 a group of local residents – latterly Trustees of the recently created Carnegie Community Trust CIO - have been working on acquiring the Grade 2 listed Carnegie Library building in Herne Hill from the London Borough of Lambeth under the terms of the Localism Act 2011 and in line with Lambeth's 2011 Co-operative Library Services and Community Hubs policy. We were respectively the Chair and Honorary Secretary of this Charitable Trust until we resigned in December 2017.

We write to draw the attention of your Committee to **a fundamental failing** in the legislation that promotes the transfer of local government assets to community groups. The legislation is well-intentioned and aims to facilitate the empowerment of local communities by allowing them to take ownership and control of public buildings, many of which might otherwise be lost to public benefit. Happily the legislation commands cross-party support.

In 2011 Lambeth Council indicated that it could no longer maintain the local library that occupied less than half of the Carnegie building. Instead of closure and disposal, it proposed to transfer the Carnegie to a charitable community trust that would re-purpose it as a Community Hub and with the Council maintaining a library in a reduced space as a tenant of the Trust. A Project Group, of which we were founding members as Chair and Secretary, was established to consult the community on the concept and then develop viable and sustainable proposals that would enable Lambeth Council to transfer the building to a charitable trust to be created for that purpose.

The Project Group undertook a significant amount of work including:

1. Applying for funding grants for the necessary work
2. Following a procurement process to then commission a Conservation Statement from Kathryn Sather Conservation consultancy
3. Following a procurement process to then commission Butler Hegarty Conservation Architects to develop possible re-use options and subsequently to work up a Preferred Option
4. Developing a Visionary proposal for a Community Hub centred on new educational, cultural, community and local business uses that would offer services to hundreds of local people who would not otherwise have used the building
5. Distributing thousands of information leaflets to the three Wards served by the library
6. Holding a public exhibition on possible options for re-use.
7. Undertaking a consultation exercise
8. Commissioning an independent consultant to evaluate public responses
9. Maintaining a website
10. Developing a Business Plan, which was approved by the Council's advisers, PWC, as viable
11. Consulting potential capital funders
12. Complying at all stages with Lambeth's procedural pathway for the submission of an Asset Transfer bid including creating a charitable community trust to take ownership.

I am sure you will agree that this was a formidable amount of work by volunteers involving many thousands of volunteer hours and a considerable amount of grant and other public monies.

We were, therefore, very alarmed when, in 2015 and part-way through the Asset Transfer process, Lambeth announced that it was placing the Council's Leisure Services provider - Greenwich Leisure Ltd (GLL) - in the building. At a meeting with the Leader of the Council and the Chief Executive we were told that this was part of its Healthy Living Policy and in no way connected with the Leisure Services Contract with GLL. Crucially, the terms of this new use of the building were not stated at that time.

A subsequent Freedom of Information enquiry by a third-party, Lambeth People's Audit, revealed that this assurance was at variance with the facts, and that, indeed, in return for a reduction in the cost of the Council's Leisure Services contract, and a donation to a Lambeth-supported charity, GLL was to be awarded the Carnegie and other public library buildings in which to operate gyms.

It has now transpired that this deal means that GLL will run their gym in the Carnegie paying **no** rent until 2022 with an already agreed rent figure after then of **less than half the market rate** for their space.

There was no Member or public debate of this proposal at the time and, indeed, the 'gym' possibility was not referred to in a wider consultation that the Council undertook in early

2015 on its library and other services entitled 'Cultural Services by 2020'. This decision led to considerable anger in the local community.

The fact that no rent would be paid by GLL until 2022 and the subsequent below market value rent figure agreed between Lambeth and GLL made it clear that our Business Plan, which had been accepted as part of our Asset Transfer bid, was rendered non-viable. GLL would occupy the part of the building specifically included in our Business Plan as 'revenue-generating' space, key to the Trust being able to support its wider community uses. Lambeth was well aware that this would be a consequence of its decision from 2015 but kept from us the information about the non-payment of a commercial rent and encouraged us to continue to develop and submit our Community Hub proposals.

The Carnegie is a stunning building, one of the most handsome in the Borough and is listed Grade 2. We were, therefore, shocked when in making arrangements for works to the building to accommodate GLL's new gym Lambeth did not follow good practice and use a conservation-accredited RIBA architect. Instead, it commissioned a Surveyor who admitted to no specialist knowledge of listed buildings. Alarming, the works seem to have scant regard to the listed and historic character of the building, take no account of the guidance in our published nationally-recognised consultants' Conservation Statement, nor the advice of Butler Hegarty Associates, Conservation Architects, in terms of the building's condition and the constraints on potential modifications for new community uses. The Council had copies of this advice as part of our Asset Transfer submission.

The community was then amazed and concerned when it became known that Lambeth had approved expenditure of £1.5 million for these works, a figure now reputed to have risen to £2.5million! The works, now underway, involve totally unnecessary and inappropriate interventions and alterations to the building, the installation of new facilities in inappropriate locations, avoidable damage to the historic fabric, and the loss of about a third of the garden space. The building has been blatantly degraded.

The Planning Consent for this work, which was opposed in hundreds of local and scholarly objections, was passed at a meeting of the Planning Committee in February 2017 where all the Labour Members voted in favour and one other opposed. It had all the appearances of a whipped vote, which, as you will be aware, is unlawful on Town Planning matters.

When, in 2017, the Carnegie Community Trust was finally adopted by Lambeth as its 'Preferred Community Partner' for the Asset Transfer the deal with GLL had already been signed and the contract for the above-mentioned works to the building placed. It was a fait accompli. Essentially Lambeth was instead of offering a transfer of the whole building - as originally agreed in 2012 and in line with their Community Hubs policy - now offering part of the building and excluding the revenue-generating areas to be occupied by GLL.

Even though the income potential from this reduced space rendered the Community Trust's plans non-viable, Lambeth was still requiring it to take responsibility for the repairs and alterations to the fabric of the **entire** building. Butler Hegarty Associates estimate it will require in excess of £6 million to put the building in good order for the long term. As a condition of Asset Transfer Lambeth further required the Trust to provide space for a

Council library and also to heat, light, clean and maintain that space in addition to the areas intended for the Trust's own purposes.

We calculated that the Trust would, therefore, only have access to about a third of the space in the building for its own Community Hub activities, but would be required to assume liability for all of it. It was a proposal that no sane community group should accept. At that point we resigned in protest at Lambeth's duplicity and dishonesty in prioritising the use of a public asset for its Leisure Contract provider in preference to a viable and sustainable community proposal that had been developed and submitted in accordance with the legislation and Lambeth's own Community Hubs policy.

Our remaining colleagues on the Trust decided, with heavy hearts, to continue to engage with Lambeth to see if some wider community benefit might still be secured in the Carnegie building. If they cannot achieve this then Lambeth has made it clear that it will transfer the running of the building and the services within it to GLL – not what Andrew Carnegie envisaged when he gifted the building to the people of Lambeth in 1905.

All the Trustees have now recognised that the Community Trust's innovative vision for the building has been lost and, at best, it might only secure a bit of space for incidental "village hall" type activities and with funding on a hand-to-mouth basis. We have counselled our colleagues not to take responsibility for the fabric of the building on such terms but to leave that with Lambeth.

So, the inept and technically incompetent political leadership of Lambeth Council has thoroughly enraged the community, potentially costing the Council Taxpayer up to £2.5million facilitating works for GLL, while the Council will retain responsibility for capital works to the building and secure no income from it. Not what was proposed in 2012 when we started the Asset Transfer process.

We consider this situation to be a travesty of local democracy. It also demonstrates, to put it charitably, an astonishing degree of managerial incompetence on the part of Council Officers.

All this may appear to your Select Committee to be a local matter for which Lambeth should answer to its voters. However, we consider that our experience also reveals a fundamental flaw in the Asset Transfer legislation that you might wish to address. The Asset Transfer legislation is brave and innovative. Community groups should be encouraged to take advantage of the 'right' to Asset Transfer that to them the law appears to confer.

However, our experience demonstrates that a community group seeking to take advantage of Asset Transfer can spend years developing its proposals, comply throughout with the local authority's requirements, spend a large amount of grant and other monies funding the consultation and technical work (in our case £100k), and then submit a viable and sustainable proposal, only to find that the Council can simply change its mind and withdraw or subvert the Asset Transfer process.

The Asset Transfer legislation was vigorously promoted to the community sector as effectively conferring a 'right' that would empower local people but, on our evidence, this 'right' does not in practice exist. A 'right' is only a 'right' if it can be implemented and enforced.

Accordingly, we request the Select Committee to set in place arrangements to look further at this case to see the lessons, and, hopefully, then bring forward proposals to Government to ensure community groups embarking on the Asset Transfer process are - subject to bringing forward viable and sustainable proposals and compliance with procedures - able to actually realise their ambitions to take ownership of an asset.

In our case, the ad hoc policy changes by Lambeth Council since 2015, with no public discussion or involvement, have subverted and destroyed the basis on which our Community Trust originally sought transfer.

We wish to protect other well-intentioned community groups of volunteers from being similarly undermined and subverted in this way. If they cannot be protected then the Asset Transfer process is so profoundly flawed that no community group should be encouraged to embark on the enormous amount of work and expense involved in preparing an Asset Transfer application.

We look forward to hearing your thoughts on this subject.

Yours sincerely

*Carol Boucher*

*Fred Taggart*

**Carol Boucher**

Former Chair

Carnegie Community Trust CIO

**Fred Taggart**

Former Hon Secretary

See: [www.carnegiehernehill.org.uk](http://www.carnegiehernehill.org.uk) for background information and reports

cc.

Mike Amesbury MP

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