

Cabinet

17 July 2013



Community Buildings: Progress Report

Key Decision: CORP/A/05/11/3

Report of Corporate Management Team **Lorraine O'Donnell, Assistant Chief Executive** **Councillor Brian Stephens, Cabinet Portfolio Holder for** **Neighbourhoods and Local Partnerships**

Purpose of the Report

1. To provide an update on the implementation of the Community Buildings Strategy and seek further delegations required to address emerging issues.

Background

2. In February 2012 Cabinet agreed a Community Buildings Strategy, which sets out the Council's ambition 'to ensure that by 2014 the County has a network of sustainable, well placed, highly valued and well used community buildings which are controlled by local people'. This strategy builds on four clear objectives:
 - a. Developing strong and vibrant communities.
 - b. Maximising the impact of available resources to invest in community buildings where they are most needed.
 - c. Handing control to local communities.
 - d. Supporting the dedicated volunteers who run community buildings.
3. To achieve this strategy the Council agreed to target investment of £2.15M on prioritised Council owned community buildings based on a principle of asset transfer and a maximum investment of 70%. 120 community buildings were identified to be included within this strategy and a timescale of two years was agreed to achieve it. A temporary support team was put in place in May/June 2012 to facilitate this.
4. By April 2014 the aim is to have asset transferred as many of the 120 community buildings as possible and for the temporary community buildings team to step down. At this point, Cabinet has agreed, that a decision will be made to close or facilitate an alternative asset transfer for any viable community building that has not completed the asset transfer process.
5. The 120 council owned community buildings identified for inclusion within this scheme included 55 communal rooms and in July 2012 Cabinet agreed to transfer 40 of these to housing providers.

Summary

6. The 120 community buildings included within the strategy fall into four key groups:
 - a. 55 to work towards asset transfer where possible;
 - b. 40 to be transferred to housing providers, as agreed by Cabinet in July 2012;
 - c. 14 with existing Full Repair & Insurance leases (FR&I). These council owned buildings have effectively already been asset transferred to local communities, although work is on-going to support these groups to transfer onto the new standard lease;
 - d. 11 Coal Industry Social Welfare Organisation (CISWO) buildings for which the Council is the trustee of ten and therefore does not have responsibility for on-going repairs from its own funds. The Council is the tenant of one CISWO building.
7. Progress over the first year has been good. Work to facilitate asset transfer or closure, where there is no community interest, has been successfully concluded on 61¹ of the 120 community buildings and there is clarification in relation to the council's responsibilities for the 10 CISWO buildings. These groups together account for 59% of the programme. This has involved transfers of 34 buildings to housing providers, confirmation of responsibility in relation to 14 FR&I buildings and 10 CISWO buildings and the sale, lease or closure of a further 13 buildings, four² of which are still being used for the benefit of local communities.
8. The remaining 49 community buildings include one for which the Council is the tenant of a CISWO building, six to be transferred to Cestria Housing Association and 42 which the Community Buildings Team are working with local communities to facilitate asset transfer where possible.
9. The current programme of work with management groups will see work completed to asset transfer or close 100 community buildings (83%), including having completed all capital works, by June 2014. It is hoped that a further 15³ community buildings will have signed a new lease and taken responsibility for the building although the capital works will not have been completed. There are concerns regarding the future viability of three⁴ buildings and two Management Groups have not yet started working towards asset transfer – the Brockwell Centre and Burnside Community Centre, both of which have existing long leases.

¹ 34 to housing providers, 14 FR&I, 13 others (23 Holme Dene, Fell Rose Court, Elite Hall, Crookgate Communal Room, Dipton Communal Room, Woodland House, Sheakespear Centre, Bedburn Close, Toronto Community Centre, Shotley Bridge Village Hall, Murton Community Centre, Heselden Community Centre, Collier House).

² Woodland House, Shakespear Centre, Bedburn Close and Heselden Community Centre.

³ Blackhill Community Centre, Pelton Community Centre, Annfield Plain Community Centre, Trimdon Grange Community Centre, Shotton Community Centre, Coundon and Leeholme Community Centre, Howden-le-Wear Community Centre, Framwellgate Community Centre, Burnopfield Community Centre, Witton-le-Wear Community Centre, Pitlington Village Hall, Stanhope Town Hall, Langley Park Community Centre, Stanley Community Centre, Earl House Community Centre.

⁴ Hunwick Community Centre, Middleton-in-Teesdale Village Hall, Great Lumley Community Centre.

10. To provide on-going support to community building management groups the council's Community Building Grant Funding programme has recently been reviewed which has been jointly developed with local groups and AAPs. The number of eligible groups has increased and 45 groups that were not previously eligible have been successful in their application for support. 143 Management Groups will each receive £1843.72.

Progress and Emerging Issues

11. Good progress is being made on the Community Buildings Strategy, with 100 of the 120 community buildings (83%) on track to be asset transferred or closed by June 2014.
12. The total cost of all works is estimated to be in the region of £4.17M with the Council contributing £2.15M and local communities raising the remaining £2M. This will be a significant contribution from external resources raised by local communities and demonstrates considerable commitment by local people.
13. Specific funders have been targeted depending on the amount of funding needed for each centre. Management Groups have also been encouraged to access Area Based funding and Neighbourhood funding and over the last year 15 different community buildings have received funding from councillors. The total value of these awards is £307,357 (£297,193 from Neighbourhood Budgets, £7,000 through participatory budgeting and £3,164 from Area Budget Small Grants).
14. Community buildings are managed primarily by volunteers. It has been estimated that more than 700 dedicated volunteers are members of management groups of council owned community buildings. The council's proposals for change have presented a major challenge for many groups, with requirements to consider their governance, use, compliance issues, regulations, costs and plans for future sustainability before they can seek external funding to meet the cost of capital works and to meet on-going revenue costs. It has been a huge shift in culture but local groups have risen to the challenge, expanded their capacity and shown that they are best placed to control facilities for people within their neighbourhood.
15. To facilitate progress the Community Buildings Team has worked with all management groups on a one to one basis to find the appropriate way forward. Over the first year more than 50 training courses have been provided by the Council, alongside numerous one to one support and advice sessions, guidance documents and templates. Training and individual support has also been provided via Buddies, Durham University, Skillsbridge and DRCC. This support has significantly raised awareness, capacity and expertise within the community and good feedback has been received so far from all who attended the training workshops and events.
16. Centres have also reported that one of the benefits they found from the training sessions has been the networking and the links they have made with other centres and they have described how they have been able to pool their

resources and knowledge to deal with issues such as compliance and health and safety. They have also reported that training on hazards and risks have helped them to confidently take actions that are needed.

17. In some cases the existing management group have decided that they do not want to continue and new groups have been sought to ensure that local communities have had every chance of maintaining the facility in their locality if this is important to them. New groups or changes within management groups are being supported in nine⁵ community buildings, illustrating that the emphasis within this programme has been on maintaining community buildings for local people, with closure only considered as a last resort.
18. At a time of severe financial challenges for the Council, it is in recognition of the role community buildings can play in developing strong and vibrant communities that the Council's strategy proposed investing significant resources into the sector. This has not been the case in many other parts of the country where community assets such as these have been closed or transferred to communities without support or investment.
19. It is anticipated that by June 2014 twenty buildings will not have fully completed the asset transfer process (including all capital works completed). Two of these buildings have existing long leases.
20. Three⁶ buildings, in which the Council was planning to invest, require significant works which will be directly affected by the presence of asbestos. Indeed, Hunwick Community Centre has been forced to close due to its poor condition and problems associated with asbestos. It is estimated that these three buildings will all require works costing in excess of £250,000 which raises the question of whether investment in the existing property is good value for money despite the fact that these have all been well used and managed centres, with good local support. It is, therefore, proposed that the Assistant Chief Executive in discussion with the Cabinet Portfolio Holder is given delegated authority to reconsider how the capital investment set aside for each of these buildings is used, within the next two years, to ensure that the local community receive the best outcome and the Council ensures value for money.
21. If an agreement is reached with a centre to go down this route, due to the cost of works exceeding £250,000, it is proposed that the Council would set aside the capital identified for investment in new or alternative local facility and cease to provide any further on-going investment in the existing building. Any works required to the existing building would need to be covered within the limits of the existing moratorium or by the management group or the building would be closed pending works or an alternative development.
22. Fifteen Management Groups are unlikely to fully complete the asset transfer process by June 2014, that is signing a new FR&I lease and completing all

⁵ Ludworth Village Hall, Dorset Place, Pride House, Annfield Plain Community Centre, Trimdon Grange Community Centre, Coundon and Leeholme Community Centre, Stanhope Town Hall, Langley Park Community Centre, Earl House Community Centre.

⁶ Middleton-in-Teesdale Village Hall, Great Lumley Community Centre, Hunwick Community Centre.

capital works required. The Council set out plans to invest in ten of these. The main reasons for not being able to complete the process by June 2014 are:

- a. A new group⁷ is being established or the management group is changing. It is unlikely that they will have had sufficient time to confirm their constitution and raise the funds required to complete asset transfer (seven centres).
- b. The building is listed⁸ and requires significant specialist works (Burnopfield Community Centre).
- c. The Management Group⁹ is seeking to carry out additional structural changes to enhance the facilities available (three centres).
- d. The works required are considerable and the Management Group¹⁰ need to raise in excess of £80,000 (four centres). The main source of funding for larger projects is Lottery Funding (Reaching Communities) and the Big Lottery has stated that this programme is being restricted to no more than 5 large scale projects in Durham and projects from outside of our asset transfer programme are also applying for this programme.

23. The Management Group of each of these community buildings require bespoke support and assistance in order to complete the asset transfer process. It is therefore proposed that an individual solution is sought for each to facilitate asset transfer as quickly as possible. In each case the management group will be asked to sign the new FR&I lease within the next few months as this will enable them to access a wider variety of external funding. Once the lease is signed it is proposed that the Assistant Chief Executive, in consultation with the Cabinet Portfolio Holder is able to consider how and when the Council's investment is provided, for example if it should be used on one specific aspect of the building e.g. roof replacement, if it can be used to carry out specific works before the Management Group have raised their funding or if it should be provided in phases as the management group raises funding to match (on a 70/30 basis) the council's investment. The solution found for each will seek to meet the Council's aims for asset transfer and the Management Group's aims and ambitions for their centre and local community.

24. Some Management Groups have stated that they would prefer freehold however in line with the agreement made by Cabinet in February 2012 these requests have been declined and in most cases, following discussions, the management groups have concluded that this would offer no significant

⁷ Annfield Plain Community Centre, Trimdon Grange Community Centre, Coundon and Leeholme Community Centre, Stanhope Town Hall, Langley Park Community Centre, Earl House Community Centre, Blackhill Community Centre.

⁸ Burnopfield Community Centre

⁹ Pelton Community Centre, Stanley Community Centre, Shotton Community Centre.

¹⁰ Howden-le-Wear Community Centre, Framwellgate Community Centre, Witton-le-Wear Community Centre, Pitlington Village Hall.

advantage to the local community in the longer term. At this time it is not proposed that there should be an amendment to this policy.

25. As the work to implement the community buildings strategy has progressed some Management Groups have raised concerns about the need to carry out major repairs or maintenance issues immediately after asset transfer and before an emergency repairs fund has been fully established. This includes issues such as a heating system which is presently in good working order but due to its age has been identified by the council as potentially needing replacement within the next 5 years. Management groups are therefore concerned that a fault may occur much sooner and they may face a significant cost before they have been able to set aside sufficient funds to be able to deal with this.
26. It is therefore recommended that the council maintains £200,000 from the contingency element of the £2.15m capital investment fund, so that groups can call upon this if a crisis occurs and emergency health and safety related works are needed in order to keep the building open. Each building taking on asset transfer will have a clear business plan in place that sets out how they will fund potential works in the future. This business plan will cover how a sinking fund for repairs will be built up and it is proposed that any emergency payment made by the council takes account of the funds already accrued by the centre. It is therefore proposed that each request for funding is dealt with on a case by case basis.
27. Once a community building Management Group has signed the FR&I lease they will be able to select their preferred organisation to carry out any works required provided they meet building requirements. However, in line with existing Council policy if Council funds are being used to invest in the building works will be carried out by Direct Services and managed by the Council.

Equality Impact Assessments

28. It is important to ensure that the community buildings project does not have an unfair impact on those most vulnerable people within our communities, particularly within the present economic climate.
29. An equality impact assessment is being carried in relation to all aspects of the community buildings work and a separate equality impact assessment is being carried out for each individual building before asset transfer or closure.

Recommendations

30. Cabinet are asked to note the report and agree the following recommendations:
 - a. That the Assistant Chief Executive in discussion with the Cabinet Portfolio Holder is given delegated authority to reconsider use of the Capital investment set aside for community buildings where investment does not offer the best value for money. (This presently relates to

community centres in Hunwick, Middleton-in-Teesdale and Great Lumley.)

- b. That where buildings require significant works and the community group are unable to raise the required funding before March 2014 they are considered for phased or alternative council investment by the Assistant Chief Executive in discussion with the Cabinet Portfolio Holder, on a case by case basis.
- c. That a £200,000 emergency repair and maintenance fund is established, from the contingency element of the £2.15M capital investment to address concerns regarding the need for expensive works to be carried out immediately after asset transfer.

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Appendix 1: Implications

Finance

The proposals set out in this report will have an impact on the use of funds from the Council's £2.15M community buildings investment programme. £332,781 was set aside for investment in Middleton (£143,910), Great Lumley (£127,274) and Hunwick (£61,597) Community Centres. As it has now been established that each of these properties will require investment in excess of £250,000 it is proposed that this is not value for money and the original investment amount should be set aside for alternative capital investment in facilities for communities in each of these areas for two years.

The proposals also include plans to allow investment in well used community centres after a Full Repair and Insurance Lease has been signed but prior to matched investment being made by the community centre. This will allow the community centre longer to raise 30% of the total investment.

Also included within the proposals is a £200,000 emergency fund to allow community buildings that have taken on an FR&I lease but have not had time to established a full capital works fund to apply for funding to carry out health and safety related works to prevent the closure of their centre. It is proposed that this fund is top sliced from the £2.15M community buildings investment fund. This will also reduce the risk of unplanned pressures on the Council's Capital Works budget.

Proposals to phase some works over a longer period will mean that capital investment in community buildings from the £2.15M investment fund will be on-going into 2014/15 and 2015/16.

Staffing

The proposals in this report have no additional implications for staff. Staffing implications were considered when the Community Buildings Strategy was agreed in February 2012.

Risk

A risk assessment for the Community Buildings Strategy is in place and is monitored on a regular basis. An additional risk emerging from the proposals in this report is that the 30% of works to be carried out by the management group will be delayed or not carried out to the council's specification. This will be mitigated through clear requirements to be agreed when the lease is signed and close working arrangements between community building management groups and the Council's Partnerships and Community Engagement Service.

Equality and Diversity / Public Sector Equality Duty

An Equality Impact Assessment for each community building is carried out prior to any decision being made by the Assistant Chief Executive.

Accommodation

The proposals within this report will result in improvements to centres and improve their sustainability. As part of the business planning process for community centres,

management groups are being encouraged to actively increase use of the centres by partner agencies (including council service grouping) and the public.

Crime and Disorder

None

Human Rights

None

Consultation

Extensive consultation was carried out prior to the initial decision by Cabinet in February 2012. Engagement with community building management groups is integral to the implementation of the Community Buildings Strategy.

Procurement

None

Disability Issues

None

Legal Implications

The Legal Service will be involved in negotiations to ensure community building management groups understand their responsibilities prior to taking on a new lease.