

Item no.

Report to: Executive

Date: 7 November 2006

Report of: Executive Member for Regeneration

Subject: Haswell Community Centre and Community Centre Policy

Ward: All

1.0 Purpose of Report

- 1.1 To seek approval to grant a 25 year ground lease to Haswell Community Association at a peppercorn rent subject to approval for significant sums of grant funding being confirmed to undertake substantial works of improvement.
- 1.2 To seek agreement that any proposal to transfer freehold assets to community groups should only be considered once the relevant association have an acceptable scheme of development and have demonstrated a sustainable management regime.

2.0 Consultation

- 2.1 The Head of Regeneration and the Community Steering Group (a working party of senior officers and Members) have been consulted on this report.

3.0 Background

- 3.1 Haswell Community Centre is located partially on land belonging to the District Council as indicated on the attached location plan hatched red. Haswell Community Association approached the District Council in January 2006 in respect of difficulties in acquiring funding as they did not hold title deeds for the full site.
- 3.2 The Head of Property & Asset Management has undertaken considerable discussion with the community association as the association considered that historically all the land upon which the building is constructed belonged to the organisation. Having consulted with the Council's solicitors it has been confirmed that the Council do own the land, however it is recognised that it would be beneficial for the community to have improved premises and as such the Head of Property & Asset Management is prepared to recommend that the association be granted a 25 year lease in order to satisfy the funding bodies requirements and enable the scheme of improvements to be undertaken.
- 3.3 The association are reluctant to accept a 25 year lease and have approached to Council to request that the land is gifted to them.
- 3.4 The Association are seeking external funding in the region of £500,000 to complete a full refurbishment of the existing building and to provide a multi use sports facility.

4.0 Position Statement and Option Appraisal

- 4.1 The Community Centre Steering Group is currently reviewing all Council owned Community Centre buildings in order to prepare a strategy and service plan for all community facilities.

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- 4.2 Independent Consultants, ERS, have been commissioned to complete feasibility studies on Council owned centres and independent Building Surveys and Mechanical & Electrical Surveys have been completed. This report will be key to recommendations regarding the portfolio.
- 4.3 Currently most community centre assets are managed by Associations with very informal lease agreements, part of the review will include adopting a standardised lease.
- 4.4 The Government Report 'Communities Taking Control: Community Ownership and Management of Assets' is part of a current agenda that encourages the transfer of ownership of community facilities to the community as a key to successful community engagement.
- 4.5 In principle, and in line with Government Agenda's regarding successful property review and community assets, the District Council needs to adopt a successful Asset Transfer Plan as part or an overarching Community Centre Policy.
- 4.6 Prior to transferring assets to communities, the Council must satisfy themselves that the Associations have the potential to provide adequate facilities, meet the needs of the community and manage the centres successfully.
- 4.7 The adoption of a lease agreement between the District Council and a Community Associations offers a partnership approach to developing the centres. This is a positive step showing the willingness of the Council to support the improvement of community facilities and should be viewed as potentially the first stage of an asset transfer. A standardised approach also ensures that all Community Centres are offered equal opportunities. The length of leases that will be offered to Associations will vary depending on proposals for the development of centres in particularly the level of investment proposed and the requirements of individual funding streams.
- 4.8 The creation of a Key Performance Criteria for Associations to meet will ensure that any future freehold transfer will only be to those Associations who demonstrate their expertise in running such facilities correctly and are delivering services successfully. Performance criteria will be developed as part of a staged process subsequent to the completion of the current consultants report.

5.0 Implications

- 5.1 Financial
Legal fees will be incurred in respect of the creation of lease agreements.
- 5.2 Legal
Any legal work concerning a community centre is a complex process. Consideration must be given to any existing trust agreement, and whether consent must be obtained from both the Coal Industry Social Welfare Organisation and the Charities Commission. In addition, the lease must satisfy the requirements of any potential funding bodies.

The grant of the lease at a peppercorn rent is approved under the general Disposal Consent (England) 2003 on the grounds that it will promote or improve the social well being of part of the area and its residents and that the value of a 25 year lease is less than £2,000,000.

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- 5.3 Policy
No current policy exists in relation to community centres; however, it is considered that there is a need for full option appraisals to be undertaken once key property review information is available.
- 5.4 Risk
A full risk assessment has been completed.
- 5.5 Communication
A communications plan is being prepared by the Head of Communications and Marketing.
- 5.6 Corporate
The actions associated with the report comply with the Councils Corporate objectives to make the most of opportunities for investment, economic growth and employment and reduce inequality in the District.
- 5.7 Equality and Diversity
No direct implications.
- 5.8 E-Government
No direct implications.
- 5.9 Procurement
No direct implications.

6.0 Recommendations

- 6.1 The District Council grant a 25 year lease to Haswell Community Association at a peppercorn rent subject to confirmation that substantial funding has been allocated to facilitate appropriate improvements to the centre.
- 6.2 The automatic transfer of assets to community centres is resisted until a Community Centre Policy is adopted that identifies core competency criteria that Associations will have to satisfy.
- 6.3 Management of Community premises prior to any transfer will be subject to partnership arrangements by way of a standardised lease. The length of term for each lease will be determined by the proposals submitted by an Association and the levels of funding required.

Background Papers/Documents refereed to in the preparation of this report

- i. District of Easington Risk Assessment

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Executive Member for Regeneration

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