

# DURHAM COUNTY COUNCIL

## OVERVIEW AND SCRUTINY

### WORKING GROUP REPORT ON COMMUNITY BUILDINGS

#### PASSIONATE ABOUT PEOPLE: PASSIONATE ABOUT PLACES

*“Some communities will wish to go a step further in influencing community service delivery by taking over the management or ownership of a public asset such as a community centre, redundant school building, swimming pool or green space, to ensure that it is used in a way that best serves local interests.....*

*.....We (Government) are determined to ensure that existing powers and policies that support community management and ownership are effective; and that practical ways are found to overcome any remaining unnecessary barriers.....*

*.....we will take immediate steps to make it easier for communities and community groups to take on the management or ownership of local authority assets by establishing a fund to give local authorities capital support in refurbishing buildings to facilitate their transfer to community management or ownership.....”*

Strong and Prosperous Communities –Local Government White Paper (October 2006.)

#### KEY FOCUS

- What is the County Councils Corporate responsibility for buildings and provision locally?
- How best can we establish a systematic and robust mechanism to ensure we monitor outcomes and performance within our Community Buildings and demonstrate that we are achieving value for money;?
- What Strategic approach do we have in place to support, grow and build capacity for “Communities”?
- What benefits our Community Buildings deliver?
- Is there a role for Service Level Agreements (SLA`s);?
- Do we distribute resources equitably or should we target resources to areas of greatest need to maintain our Community Building stock?
- What are the implications for Transfer of Assets?
- What are the policy drivers regarding Community Buildings and support for Communities?
- Ultimately to provide a clear strategic steer to give a sustainable future for community buildings.?

#### KEY MESSAGES

- Durham County Council owns 32 Community buildings. With the exception of one new building the remainder require maintenance

improvements and adaptations ranging between £60,000 and £800,000 per building.

- Financial support per annum for our Community Centres can be broken down thus: -
  - Grant Aid £121K
  - Professional Staff £87K
  - Caretaking & Cleaning £361K
  - Repairs/Maintenance £771K
  - Youth Work Development Grant £35K
  - Supplementary Grants £50K
  - Minor Repairs Grants £25K

Total expenditure is in the region of £1.45m. This does not include technical and professional advice and assistance.

- What do our community buildings provide?
  - Recreation/leisure
  - Playgroup/crèche/childcare
  - Residents and BME groups
  - Learning – accredited/non-accredited
  - Literary and health services
  - National and local organisations, e.g. CAB/Women's Institute
  - Emergency accommodation
  - Local meeting place
  - Elections and political meetings
  - Volunteering/training
  - Faith groups
- Benefits of Community Buildings
  - Focal point for communities of all ages
  - Focal point for service delivery
  - Assist the delivery of DCC priorities
  - Network/infrastructure for consultation/dialogue
  - Promote volunteering citizenship
  - Promote community cohesion
  - Access to wider funding opportunities
- Limitations
  - Age of buildings
  - Management Capacity
  - Need to consider issues of Sustainability
  - Access to skills
  - Needs of adults/young people

- Pressure for change
  - Community Leadership role of LA
  - Transfer of assets
  - Community 'Right to Buy'
  - Best value consideration relaxed
  - CPA 'the harder test'
  
- How we can help
  - Adopt a strategic approach
  - Work in a partnership context
  - Consider resource allocation issues
  - Build on the Community Compact
  - Strengthen Capacity Building
  - Promote a Planned and inclusive asset transfer in line with government thinking of community ownership

**We need a strategic approach:**

- a strategic approach will deliver ,equality and fairness to all neighbourhoods, it will ensure we maximise local service delivery, maximise best use of limited resources, provide co-ordination of DCC input, enable a clarity of role and input for all partners, ensure quality of service delivery, contribute to community cohesion and act a focal point for community engagement.
- Such an approach should focus on neighbourhood/area service delivery needs, the direct contribution of our buildings to service delivery needs, the appropriateness of our buildings to meet these needs, consideration of alternative community resources in the area with the potential to establish alliances/collaborative opportunities to meet local need.
- A strategic approach would undoubtedly, improve quality of provision, improve management capacity, improve partnership in delivering national and local aims and objectives, act as a role model and ensure equality in relation to:
  - Provision
  - Access
  - Capacity
  - Resources

**Opportunities to progress a strategic approach:**

- We already have in place a County Durham Compact and Funding Codes, we are developing a standard Service Level Agreement and looking to strengthen the role of the Community Buildings Consortium/Group (a partnership body with representation from key public and voluntary sector bodies).

- The COMPACT provides a framework to promote and support partnership between the voluntary and community sector and the local authorities and NHS agencies in County Durham
- A review the relevance of our Community Buildings within the context of the Sustainable Community Strategy and the Local Area Agreement (LAA) should provide impetus for a more joined up approach in supporting future investment in our communities and community facilities.
- There needs to be an actual process/strategy, which gives a clear picture of the current state/strength of our community buildings.

### **Community Ownership/Transfer of Assets**

- We need to invest in a common approach. The governments white paper presents significant opportunities to consider how best to progress community ownership and transfer of assets for community benefits.
- We need to bear in mind to which body should the assets be transferred.
- The legal implications of the transfer of assets?
- Some Key issues regarding Asset Transfer
  - Planned and inclusive Asset Transfer
  - Age and quality of buildings
  - Geographical location - replication
  - Cost of repair/replacement
  - Competition for future resources
  - Compliance with statutory requirements
  - Inconsistent management capacity
  - Image of the sector/owner
  - Inconsistent understanding of community issues across DCC
  - Asset transfer/sustainability/leasing
  - Lack of a clear joint planning process between LAs and VCS
- 3 Key Aspects of Asset Transfer
  - Assess the quality of current building stock
  - Options appraisal for each building
  - Discussion with stakeholders

Evidence from the Community Buildings Consortium, who facilitated a "health check" on 140 Community Associations in the County, found issues relating to:

- Training/capacity building and support for Management Committees
- Physical condition of buildings
- The need for a strategic view/a countywide approach to Community Buildings (the physical condition of buildings and support to management committees - a consistent and fair approach)

- With an acknowledgment that some buildings in their current condition would be a liability not an Asset. This will need to be borne in mind when dealing with Transfer of Assets,

### **Service Level Agreements (SLA`s)**

SLA`s are an agreement between the Council and a Voluntary and Community sector organisation to develop and/or deliver a service. They are a type of contract.

SLA is the outcome of a commissioning process, informed by what the Council wants to be delivered.

SLA`s are an important agreement between the commissioner and the provider.

SLA` must be COMPACT compliant.

### **KEY FINDINGS**

1. Community organisations bring a wide range of activities and benefits to local people. To be effective they often require well-managed, well-maintained premises from which to conduct their work. The County Council is the major provider of community group premises and are currently operating within both a tight fiscal environment and a need for continuing efficiency savings.

There is a very definite need for a strategic approach that needs to look at how we develop, support and manage our Community buildings. Such a strategy must take into account how best to provide equality and fairness to all neighbourhoods that will maximise local service delivery and make best use of limited resources. It will assist the County Council to be clear about its role and its co-ordination of DCC input into communities. The strategy should address issues of “quality of service”, community cohesion and be a focal point for community engagement.

2. Local authorities need to strive to ensure community groups are supported throughout the leasing process so that their vital contribution to local communities is preserved.

3. Community buildings are a focal point for a wide range of activities, managed by small group of trustees, through a lease or management agreement held by the Council.

4. It is important we recognize the role of community groups in helping to meet a number of council objectives, but also community groups and most importantly local residents.

5. The Local Government (Miscellaneous Provisions) Act 1976 gives local authorities the power to lease premises at less than market rent for recreational purposes for any period. They may also grant aid or provide in-kind support to organisations managing the premises. Leases of up to seven

years may be granted for non-recreational purposes under the Local Government Act 1972.

6. In 2003, the Deputy Prime Minister gave a new general consent to local authorities to enable them to dispose of assets at less than best consideration, within certain parameters, to organisations such as community trusts. This has been reinforced in the recent white paper on local government with reference to community ownership of assets.

7. Local Area Agreements (LAAs) are the means of future service delivery and offer a number of freedoms and flexibilities for local government and its partners. It is essential that the voluntary and community sector plays a role in this process. Community groups could also play a key role in meeting the objectives of LAAs and receive funding to do so.

8. ChangeUp3, the government's strategy for voluntary and community sector infrastructure and capacity building was developed to ensure comprehensive support for front-line organisations delivering public services. Its funding was not intended to support neighbourhood or community level infrastructure directly and the majority of current and planned investment will go to district and sub-regional generic infrastructure organisations, (with the balance being for national programmes). In some instances, community organisations will benefit from non-financial support through this programme.

9. *Firm Foundations*<sup>4</sup>, the government's framework for community capacity building identified the need for a network of strong 'community anchors' to engage, represent and service communities and support the community sector in their neighbourhood. Community anchors are defined as community based organisations which are:

- controlled by local residents and/or representatives of local groups;
- address the needs of their area in a multi-purpose, holistic way;
- committed to the involvement of all sections of their community, including marginalised groups; and
- facilitate the development of communities in their area.

10. *Together we can*<sup>5</sup>, produced by a number of government departments, aims to identify the benefits of strong, cohesive and engaged communities working together with government at every level. It identifies a number of key public policy areas which depend on the involvement of communities and community organizations.

11. *CPA 2005 - the harder test*. The new process takes a more holistic perspective of the role of the local authority within the local community. To score the top four star rating local authorities will need to show that they contribute to the achievement of the wider outcomes for the community. A better understanding of the local community and how the council delivers community priorities in partnership will also be central to this. The relationship local authorities have with community groups will therefore be crucial to the success of this. Having a local COMPACT in place and developing a

'compact way of working' will also help local authorities to work more constructively with community groups.

12. *ODPM's Local:Vision process (2005)*, a cross-sector work group was formed to 'identify ways in which an expansion in the ownership and/or management of physical assets by communities can be promoted and supported, so as to further the objectives of the Neighbourhoods Agenda'. The work group has set out its findings and recommendations in the *Communities Taking Control* report. The report covers the benefits of community ownership/management of assets, different 'models' of ownership and management, issues concerning powers, opportunities and funding, and the capacity-building necessary to support asset transfer.

13. *Transfer of Assets* - there is a need for a managed transfer so that buildings are of a particular standard when they are transferred to community ownership. If the buildings are transferred in their current condition they will be a liability not an asset to the Community Association. Transfer should be spread over a period of 4 to 5 years with a strategic approach established in relation to the maintenance of Community Buildings. The legal implications of the transfer of assets must be addressed.

We need to see the outcome of the government's review looking into community ownership of assets. This is a review led by Barry Quirk, Chief Executive of the London Borough of Lewisham. This will examine the effectiveness of existing powers and policies and consider how they might be better promoted, and also to consider what additional powers and policies would facilitate closer working between communities and local authorities in devolving responsibilities for local assets. The review will also consider any safeguards that would be necessary to prevent assets being taken over by unrepresentative groups who might not act in the interests of the local community.

- Some Key issues regarding Asset Transfer
  - Planned and inclusive Asset Transfer
  - Age and quality of buildings
  - Geographical location - replication
  - Cost of repair/replacement
  - Competition for future resources
  - Compliance with statutory requirements
  - Inconsistent management capacity
  - Image of the sector/owner
  - Inconsistent understanding of community issues across DCC
  - Asset transfer/sustainability/leasing
  - Lack of a clear joint planning process between LAs and VCS
  
- 3 Key Aspects of Asset Transfer
  - Assess the quality of current building stock
  - Options appraisal for each building
  - Discussion with stakeholders

Other Considerations for Asset transfer:

- The ability of the Community Group to develop a suitable business case to take on the asset and sustain operation.
- The ability of the Community Group to secure funding for replacement or improvement of the facility where major investment is required.
- The potential for inappropriate organisations to 'take over' the property either initially or over a period of time.
- The ability of the Community Group to take on the responsibility/legal obligation for the property and operation of activities.
- To ensure that appropriate Service Level Agreements exist to assist both parties to be clear about the contract and as a tool to enable performance to be managed.

14. *Community Buildings Consortium and the "health checks"* - the CBS undertook a health check on 140 community buildings in County Durham. They found that there is a need to provide training/capacity building and support for Management Committees and a definite need to develop a strategic approach to community buildings in County Durham. They also concluded that:

- Physical condition of building need to be addressed
- Transfer of Assets, some buildings in their current condition would be a liability not an Asset
- Need for transfer to be phased over a period of 4 to 5 years
- Redevelopment in many cases would cost less than upgrading the existing building.
- Target redevelopment carefully to those communities who want it (commitment on the communities part).
- The COMPACT used to strengthen Service Level Agreements with Associations
- Look at various investment packages, with the Associations i.e. use the skills of the voluntary sector to access different funding sources.

15. It was confirmed that from 2000, condition surveys were undertaken of all Local Authority buildings, it is estimated that in terms of condition and suitability in relation to the 32 buildings the cost would be in excess of £10m in order for them to be of an acceptable standard. When undertaking this exercise comparisons are done in relation to the cost of replacement or upgrading to a reasonable standard in a substantial number of cases the cost of replacement is lower than that of upgrading.



16. The concept of Children Centres is to use "joined up" thinking to provide services locally to parents and children but also to provide a location for the provision of services to the wider community, (their purpose is to "add" to community life and extend the provision of services provided, it localises provision).

The Government see schools as at the heart of the community and therefore the Extended School concept, can be used to provide services after school hours (including holiday periods) to children, parents, carers and the general community, therefore providing the maximum optimum use of buildings. Key is to look at how best a community buildings strategy is able to ensure that local community facilities are used for local communities, joining up activities and opportunities for local people. Collaborating with each other through joint venture opportunities rather than competing for limited resource to do the same thing. This about connecting communities.

17. *Service Level Agreements* –are an agreement between the Council and a Voluntary and Community sector organisation to develop and/or deliver a service. SLA`s are a type of contract.

- What should a SLA contain?
  - A definition of the service to be provided
  - Outcomes/outputs expected
  - Responsibilities of both sides
  - Monitoring and evaluation process
  
  - Legal and other requirements e.g. public liability insurance
  - Amount and period of funding
- The SLA process
  - Commissioning
  - Based on what Council wants to be delivered
  - An open and equitable application procedure
  - COMPACT compliant
- Advantages for Durham County Council
  - Clarity of Council's service enhancement, community benefit
  - Opportunity to change/refocus service delivery in response to Council and/or community needs
  - Transparency
- Advantages to Voluntary and Community Sector Organisations
  - Clear and consistent application process
  - Clarity of service delivery expectations
  - Defined monitoring and evaluation system
  - Funding and timescales
- Current SLAs

- Adult learning provision (Community Building)
- Running costs support (Community Buildings)
- 6 CVS's
- Racial Equality Council/Gay Advice, Durham
- Durham Rural Community Council
- County Durham Foundation

18. *Partnerships* – there is a real opportunity to build on the work and the role of the Community Buildings Consortium. The opportunity is to engage a number of key public and voluntary sector bodies to work with the Consortium to further develop the work on Community buildings. The County Durham Strategic Partnership (within the context of the LAA) sets an important context for the group to be fit for purpose and delivering on behalf of key partners elements of the Sustainable community strategy that relate to community buildings.

We need to look at increasing/promoting partnership working. A community building strategy would assist in the development of the overall asset management strategy. This needs the Authority and Community Groups to jointly establish requirements and proposals. A collaborative approach between the various community groups, possibly on a geographical basis to achieve this. A clear statement of intent would be helpful.

19. *The NHS* -have an important role to play in this context as the emphasise for them is to look at how best to develop community based services and infrastructure in line with governments policy on keeping people out of hospital and supported in communities. The NHS note a recognised need to look at multi-agency working and the need to establish further links with Durham County Council.

There is now a Community Hospitals programme looking at various areas for the location and development of Community based Hospitals although there is also the need to retain the existing Acute hospital provision. It was emphasised that there are no 'concrete' plans as to how this new development will progress.

The Mental Health Priority Services currently have 130 sites throughout the County but will require another 30 to 40 sites to deliver mental health provision in local communities. The Mental Health Sector do have existing partnerships with other bodies and that there is a move to providing more services to individuals in the home via GP surgeries. However, there is a move to look at accommodation in local communities such as Community Associations to remove the stigma associated with Mental Health by accessing provision in a known Mental Health establishment.

There is a need to do a here and now review of buildings within the county to establish which are the best locations.

Key Conclusions

20.The potential benefits for local authorities of developing a proactive and strategic approach to the use of community buildings and to the formation of mutually beneficial partnerships with community-based organisations is fundamental.

21.It is not clear though that the complete transfer of assets into community ownership is either desired by communities or desirable for local authorities.

22.By working in partnership local authorities and community organisations can help each other to meet key organisational objectives across a number of areas.

23.Despite the temptation to use asset transfer as a means of cutting costs, both Treasury and local authorities must reflect on the long-term damage that could be done in neighbourhoods should transfer schemes go on to fail.Asset transfer will entail some short-term costs. These costs need not be exorbitant, and it is likely they can go on to generate considerable economic as well as social and environmental benefits. It is suggested that asset transfer should be dependent upon the preparation of a robust business plan and a local authority satisfying itself that a community organisation has sufficient funding to take an asset forward.

A wide range of benefits were identified for communities, for external stakeholders, and for those organisations to whom an asset may be transferred:

- Transferred assets can lead to jobs and activities which can create wealth and surpluses which are retained in the community.
- Buildings restored to active use by communities can ‘occupy iconic status’ and give a boost to local communities, sometimes leading to a local ‘multiplier effect’ by restoring confidence in places and increasing the viability of local business.
  - Asset-based organisations can offer a base for a neighbourhood-based service provision, making it more accessible and responsive to local needs, which can reduce pressures on statutory service provision.
  - Local statutory providers may form relationships with community partners who can tap into resources that they cannot (see below).
  - Asset transfer can build the capacity of local organisations through transforming its management capacity, linking organisations into wider networks, giving them status and recognition, and providing collateral for further borrowing.
- A key benefit of asset transfer is the greater ability that exists on the part of community organisations to draw down such funds.

24.Multi-purpose community centre organizations provide an effective means to support and engage the wider community.

They can make a significant contribution to an authority's plans to:

- consult and inform local people on policy and local need;
- engage local people to help shape public services;
- build social capital and active, responsible citizenship;
- strengthen community cohesion through cross community activity;
- provide the means for local people to volunteer for benefit of their community;
- provide informal services to enhance community well-being; and
- access hard-to-reach groups.

25. Community centres should reach out to a wide range of people in the community and where possible develop activities with a range of users of community buildings. They should aim to work together to for the good of the communities they serve. Local authorities should adopt a consistent approach that is appropriate to the range of groups that are involved.

26. Where community centre organisations have the required capacity, or potential to achieve it, local authorities should consider transferring community buildings or assets to that organisation either through disposal of freehold or long leases

27. Service level agreements are generally helpful to both parties as a supplement to a lease. Care should be taken to avoid unnecessary restrictions and to specify achievable and jointly owned outcomes. This should be done within the context of the local COMPACT.

28. The County Council should ensure that the community centres in our area have access to practical guidance on the management of their activities and assets such as health and safety, need for DDA compliance and management of the building.

29. Ensuring that community organisations have the necessary skills and support to own and manage assets is a key consideration. The County Council should support relevant training and external advice to the community centre organisation's managers and trustees boards.

30. Local authorities should ensure that multipurpose community buildings within their portfolio are brought up to a good state of repair and that priority is given to building the capacity of communities to manage and make full use of these vital local assets.

## RECOMMENDATIONS WITH FINANCIAL IMPLICATIONS

That support be given to enable management committees (trustees) to develop the necessary skills to build management capacity in order to effectively manage their community buildings.

That financial support for repairs and maintenance for Community Buildings be identified.

Likely Cost of £500k to deliver on both these recommendations is suggested.