

**Cabinet**

**24 July 2012**



**Community Buildings: Communal Rooms**

**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 seek agreement to a new approach for the future of 55 Council owned and managed community buildings (communal rooms), which are strongly associated with neighbouring housing and to give delegated authority to the Assistant Chief Executive to pursue negotiations with local housing providers.
2. The approach set out in this report marks a significant milestone in the implementation of the Council's Community Buildings Strategy. Following the positive engagement with social housing providers associated with the communal rooms, 27 facilities will receive the support and investment to continue as community buildings, while the others will be offered the opportunity to progress with asset transfer or be redeveloped for accommodation or open space. The 27 centres to receive investment from the housing providers is a significant increase on the five originally prioritised for investment from the Council's Community Building Fund and this funding (of £84,300) will now be available for reallocation to other community buildings.

**Introduction**

3. On the 29<sup>th</sup> February, 2012, Members agreed a strategy for the future approach for Council owned community buildings. As highlighted in that report, the Council owns (or is a trustee of) 120 community buildings and the overall approach agreed by Cabinet was to provide the opportunity for the buildings to be asset transferred to local management committees on the basis of a full repairing and insuring lease for a minimum of 25 – 30 years.
4. When making this decision, Cabinet also agreed that discussions should continue with relevant social housing providers to establish if it would be appropriate to reach an alternative approach for the future management of the 55<sup>1</sup> communal rooms that

---

<sup>1</sup> This includes 53 communal rooms identified in the February 2012 Cabinet report plus two community centres, Attlee Square, Sherburn and Parkside People's Centre, Seaham which presently receive support from local housing providers.

make up a significant part of the 120 community buildings owned by the Council. Of these 55 buildings, at the time of reporting to Cabinet, 41 were operating as community facilities as 14 were closed and were no longer in use by the local community.

5. These discussions were necessary as the communal rooms are closely associated with the neighbouring housing stock, and many cases are simply converted living accommodation and have been traditionally managed by housing functions within the former district councils. These buildings tend to be significantly smaller than the other community managed community buildings owned by the Council and during the consultation, tended to show less support amongst their users, for asset transfer.
6. During the community buildings consultation the following key issues emerged in relation to the Council's communal rooms:
  - Communal rooms are often converted houses or flats and are generally quite small.
  - They are often linked to other properties, for example providing a key part of the central heating system or housing laundry facilities for local tenants.
  - They often provide activities for older people or specific groups rather than being open to the wider community.
  - The groups that use these rooms did not generally have any appetite for Asset Transfer (only 9 said they were willing to consider this).
  - Some are used by public sector staff or for IT or social care line equipment.
  - In a small number of cases the local Parish Council or another organisation would consider taking control of the building.
  - There are strong links between these properties and housing provided by Cestria Housing Association, Dale and Valley Homes, Durham City Homes, East Durham Homes and Derwentside Homes.
7. As outlined in the report to Cabinet on 29 February 2012, rather than reach a final decision on the future approach to these buildings, it was agreed negotiations would take place to explore the potential for social housing providers to maintain or takeover responsibility for these properties. This proposal had been made by the housing sector on the basis that:
  - a number of the communal rooms (but not all) are currently part of the Council's Housing Revenue Account;
  - potentially a larger number of buildings could receive investment (from the housing provider) to improve their facilities than those prioritised for investment from the £2.15 million capital investment resource available for community buildings;
  - those prioritised for capital support by the social housing provider would continue to receive direct management support negating the need to establish a management committee for users who may not have had experience of running such a group in the past.
8. In making this original offer, the housing sector also suggested that immediate action could be taken to convert a number of the community buildings into housing

stock or redevelop the properties to provide additional benefits for local tenants. It was therefore proposed that both capital and revenue support would be provided for some communal rooms which they considered provide viable communal facilities based on their current usage. However, it was also proposed that if in the longer term that usage was to reduce significantly (by more than 20%), then they would no longer be obliged to maintain these facilities as communal rooms. In such circumstances they would have the opportunity to bring the building (or land) into use as housing accommodation to help meet the high levels of outstanding demand or find an alternative use for the building which would benefit local tenants.

## Overview to the discussions with housing providers

9. Since agreeing the Community Buildings Strategy in February, 2012, negotiations have been held with the five housing providers with a significant relationship with the 55 communal rooms highlighted in that report. The breakdown of the number of buildings with regard to these housing providers is set out below:

Cestria Housing Association	8
Dale and Valley Homes	18
Derwentside Homes*	2
Durham City Homes	17
East Durham Homes	10

\* This excludes the five communal rooms in the former Derwentside area that established management committees and signed full repairing and insuring leases with Derwentside District Council and therefore have, effectively, already been asset transferred.

10. In terms of this sub-division of the properties, it is important to highlight a number of key points, namely:
- The legal status of the social housing provider has implications for the nature of any potential transfer. Where the housing is provided by the Council (Durham City Homes) or an Arms Length Management Organisation - ALMO (East Durham Homes and Dale and Valley Homes) the associated communal rooms are likely to be within the HRA. The proposals within this report would therefore be confirming the continuation of their current status rather than transferring ownership. This would not apply to the properties aligned to Cestria Housing Association and Derwentside Homes, as they are independent Registered Social Landlords (RSL). These properties are currently held within the Council's accommodation portfolio managed by its Assets function, and if transferred, would be subject to the procedures set out in the Council's Disposal and Acquisitions Strategy.
  - The legal status of the housing providers has implications for the ability to raise capital to carry out improvement works to the facilities, and in particular, to resource the conversion to housing accommodation where this is considered appropriate. For in-house and ALMO providers, this would be resources from the HRA Regeneration fund however RSLs, would have access to a wider range of funding;

- Although there are communal rooms in the former Sedgefield Borough Council area, none are the subject of this report as these properties were transferred to Livin (formally Sedgefield Borough Homes) when it was established.
11. Taking these factors into account, the negotiations have resulted in an offer that would potentially provide a number of advantages for the Council and more importantly, the users of the communal rooms and the local community. These advantages include:
- More communal rooms would receive direct investment and support than prioritised for assistance from the £2.15 million community buildings capital fund. The report in February, 2012 prioritised five buildings for investment, while the current offer from the housing providers is to support 27 buildings. This investment is from the housing providers and would free up £84,300 from the £2.15 million capital resource to be invested in community managed community buildings.
  - In a number of cases, where significant progress has been made towards asset transfer, the housing providers would support the transfer to progress and would not seek to directly manage the buildings;
  - Progress would be made to refurbish a number of associated accommodation units, often flats over communal rooms that have been on hold while a final decision was to be taken on the future of the communal rooms.
12. While the offer has a number of potential advantages, if it was to progress, there are a number of communal rooms where the housing provider would wish to take immediate action to convert into living accommodation to help meet the high levels of housing demand, to demolish or find an alternative use for the benefit of local tenants. There are 13 properties in this category. However, nine of these properties are currently closed while the others generally have relatively low levels of usage.

### **Details of the proposed offer from housing providers**

13. Having given an overview of the proposed offer from the five housing providers that have been involved in the discussions with the Council over the last four months, this section of the report details the specific proposals for each facility.
14. The offers made by the housing providers fall into three main categories; namely:
- To remain as communal rooms and receive capital works (to be determined by the housing provider) and offer support to remain in operation while current usage levels are maintained. These are 27 properties in this category.
  - For the Council to maintain responsibility for Asset Transfer to the community and if this is not viable to dispose of the property in line with the Council's Asset Disposal Policy. There are 15 properties in this category.

- For the responsibility to be taken by a housing provider and for it to either be redeveloped, demolished or for an alternative use found, which benefits local tenants. There are 13 properties in this category.
15. A breakdown for each of the properties, grouped around the five housing providers, is set out in Appendix 2.
  16. Detailed discussion regarding the two closed properties in the former Derwentside Council area and surrounding land are still on-going with Derwentside Homes. These two properties were valued at £160,000 in 2009/10. It is proposed that discussions continue with a view to disposing of these two properties to Derwentside Homes if significant advantage can be achieved for local residents or community buildings in the area. If this cannot be achieved it is proposed that the Council disposes of these two properties on the open market.
  17. The present numbers in each category for each housing provider is set out below:

<b>Housing Provider</b>	<b>Housing provider to maintain as communal room</b>	<b>Asset Transfer or disposal by the Council</b>	<b>Housing provider to redevelop or demolish</b>
Cestria Housing Association	4	1	3
Dale and Valley Homes	6	6	6
Derwentside Homes	0	2	0
Durham City Homes	12	1	4
East Durham Homes	5	5	0
<b>TOTAL</b>	<b>27</b>	<b>15</b>	<b>13</b>

18. As highlighted in Appendix 2 the above proposals present an improvement for 23 existing communal rooms and no change for 19. In addition 11 properties, which presently have no users, would be taken over by housing providers for the benefit of local tenants. There are however potentially two communal rooms which are presently in use which would not be maintained as communal facilities, those using the rooms would not be able to seek asset transfer and the properties would be converted to housing or used by the housing provider to find an alternative use, redevelop or demolish. These are:
  - a. Fyndoune House, Witton Gilbert (31 users per week), located within 800m of Witton Gilbert Community Centre
  - b. Southbrook House (40 users per week), located within 800m of Pitlington Community Centre.

The number of users shown may include multiple use each week by the same people and the usage figures for these communal rooms are significantly below the average (82 users) for communal rooms. Following local enquiries the housing providers do not consider these properties as sustainable communal rooms and local people can be given help and support to access alternative venues.

19. Where it is proposed that a communal room, which has a residential property either directly above or below, should be transferred to the local community, negotiations

will be held with the tenant and the housing provider regarding the future of the residential accommodation. In such cases it is envisaged that options may include the group taking on the Asset Transfer also taking responsibility for the attached accommodation or the tenant being offered a transfer to alternative accommodation and the vacant accommodation transferred as part of the asset.

20. The proposals outlined above involve the transfer of seven properties to Cestria Housing Association, with the potential exception of the two properties in the Derwentside Homes area, all other properties that would be maintained as communal rooms, supported by the housing provider, would remain in the HRA. The market value of the properties proposed to be transferred to Cestria HA was estimated to be £380,000 in 2009/10. In taking over these properties Cestria HA is proposing to invest approximately £169,011 to maintain four of these properties as communal rooms. These four properties have a market value of £245,000. Following transfer, the Council would also no longer be responsible for any on-going revenue costs or future repairs and maintenance costs of these properties. In addition, by taking three closed properties with a market value of £135,000, for which there is no community interest, the Council would save approximately £13,460 in demolition costs. These properties would be demolished and redeveloped for housing or to improve the quality of the local environment for tenants. (The average cost of redeveloping a centre into accommodation is estimated to be in the region of £55,000)

## **Conclusion**

21. The further discussions with housing providers held since agreement of the Community Buildings Strategy in February 2012 has resulted in the likelihood of a tangible offer that would create some continuity for more buildings than were originally prioritised for investment from the limited capital resources available to the Council. Whereas the report in February prioritised five buildings for investment, the approach set out in this report would secure investment for 27 properties and critically, also ensure ongoing day to day support is provided to ensure the buildings continue to be used. However, this offer is made on the basis that if current usage drops off significantly (i.e. by more than 20% of the usage recorded during consultation), the housing providers would like the opportunity to convert or demolish the building to provide living accommodation or find an alternative use for the property.
22. Whilst this report sets out the overall approach proposed by the housing providers, it is acknowledged that the detail of the offer will need to be negotiated over the coming months. However, to provide some clarity for the service users, housing providers and residents living in close proximity to these buildings, it is proposed the Assistant Chief Executive is given the delegated authority to progress these proposals.

## Recommendations

23. It is recommended that Cabinet agree that the Assistant Chief Executive carry out further discussions with local housing providers to implement the proposals set out in this report in consultation with the relevant portfolio holders.

---

**Contact:** Gordon Elliott, Head of Partnerships and Community Engagement

**Tel:** 03000 263605

---

---

## **Appendix 1: Implications**

---

### **Finance**

The proposal set out in this report releases £84,300 from the Council's £2.15M community buildings investment programme. This will enable other community buildings to receive investment.

The proposals related to those properties outside of the HRA would result in a potential investment of £169,011 from Cestria Housing Association to maintain these properties as communal rooms. The market value of these properties was estimated to be £380,000 in 2009/10. Cestria HA would also provide on-going revenue support for these properties and find further resources to add value to the County's social housing stock.

### **Staffing**

There are staff employed by the Council with shared responsibility to clean a number of centres. Subject to the decision of Cabinet, and the subsequent negotiations with housing providers, further discussions will be necessary to establish future staffing arrangements.

### **Risk**

A full risk assessment will be carried out prior to any decision being made by the Assistant Chief Executive.

### **Equality and Diversity / Public Sector Equality Duty**

An Equality Impact Assessment for each group of properties will be carried out prior to any decision being made by the Assistant Chief Executive

### **Accommodation**

The proposals potentially protect the future of 27 communal rooms, whilst they are utilised by local communities at the present level.

### **Crime and Disorder**

None

### **Human Rights**

None

### **Consultation**

Extensive consultation was carried out prior to the initial decision by Cabinet in February 2012. The Council will engage with all community building users prior to implementation of this report and will work with housing providers to ensure local residents are aware of the proposed changes.

### **Procurement**

None

### **Disability Issues**

None

### **Legal Implications**



The Legal Service will be involved in negotiations to ensure the best outcomes for communal room users and local communities.

**APPENDIX II**

<b>Property</b>	<b>Council Category</b>	<b>Proposed Council investment (Estimate)</b>	<b>Housing Provider Category</b>	<b>Potential change as a result of the proposal</b>	<b>Comments</b>
<b>Durham City Homes</b>					
19-20 Sycamore Park	Do not invest		DCH to maintain as a Communal Room	Improvement	
Attlee Square	Unlikely to invest		DCH to maintain as a Communal Room	Improvement	
Harry Carr House	Invest	£11,108	DCH to maintain as a Communal Room	No change	
Silver Courts	Do not invest		DCH to maintain as a Communal Room	Improvement	
Woodland Hall	Unlikely to Invest		DCH to maintain as a Communal Room	Improvement	
34 Broomside Lane	Invest	£13,656	DCH to maintain as a Communal Room	No change	
Arden House	Unlikely to Invest		DCH to maintain as a Communal Room	Improvement	
Beaurepaire Community Centre	Do not invest		DCH to maintain as a Communal Room	Improvement	
Fyndoune House	Unlikely to Invest		DCH to find alternative use, redevelop or demolish	No AT option	31 users
Southbrook House	Unlikely to Invest		DCH to find alternative use, redevelop or demolish	No AT option	40 users
64 Lansdown Road	Unlikely to Invest		DCH to maintain as a Communal Room	Improvement	
80 Bede Terrace	Confirm Closure		DCH to find alternative use, redevelop or demolish	No AT option	0 users
9 Browns Close	Unlikely to Invest		DCH to maintain as a Communal Room	Improvement	When the neighbouring property becomes available this will be converted to housing.
Holmside	Unlikely to Invest		DCH to maintain as a Communal Room	Improvement	
Woodland House	Confirm Closure		Asset Transfer or Disposal by the Council	No change	Leased to PCT
Hawthorns	Do not invest		DCH to find alternative use, redevelop or demolish	No AT option	0 users
Woodbine House	Do not invest		DCH to maintain as a Communal Room	Improvement	
<b>Dale and Valley Homes</b>					
20 Wheatbottom	Unlikely to Invest		D&VH to maintain as a Communal Room	Improvement	
23 Holme Dene	Do not invest		D&VH to maintain as a Communal Room	Improvement	

25a Hall Lane Estate	Do not invest		D&VH to find alternative use, redevelop or demolish	No AT option	0 users
18 Bankfoot Grove	Unlikely to Invest		D&VH to find alternative use, redevelop or demolish	No AT option	0 users
Bedburn Close	Confirm Closure		Asset Transfer or Disposal by the Council	No change	Sold
Collier House	Confirm Closure		D&VH to find alternative use, redevelop or demolish	No AT option	0 users
Grasmere Grove	Confirm Closure		D&VH to find alternative use, redevelop or demolish	No AT option	0 users
Hargill Haven	Unlikely to Invest		Asset Transfer or Disposal by the Council	No change	
10 Millfield Grove	Confirm Closure		D&VH to find alternative use, redevelop or demolish	No AT option	0 users
Rosedale Community Centre	Invest	£28,660	Asset Transfer or Disposal by the Council	No change	Pursue Asset Transfer to Durham Alliance of Community Care
43 Stanley Way	Unlikely to Invest		D&VH to maintain as a Communal Room	Improvement	
Sunnybrow Community Centre	Invest	£11,778	D&VH to maintain as a Communal Room	No change	
Cornwall Place	Do not invest		Asset Transfer or Disposal by the Council	No change	Pursue Asset Transfer to Durham Alliance of Community Care
Dorset Place	Do not invest		Asset Transfer or Disposal by the Council	No change	Community interest in Asset Transfer
Mickle Grove	Do not invest		D&VH to maintain as a Communal Room	Improvement	
Monteith Close	Unlikely to Invest		Asset Transfer or Disposal by the Council	No change	Pursue Asset Transfer to Parish Council
10/11 Selby Close	Invest	£19,098	D&VH to maintain as a Communal Room	No change	
Sycamore Grove	Confirm Closure		D&VH to find alternative use, redevelop or demolish	No AT option	0 users

East Durham Homes					
Alcote House	Do not invest		EDH to maintain as a Communal Room	Improvement	
Byron House	Do not invest		EDH to maintain as a Communal Room	Improvement	
Charlton House	Unlikely to Invest		EDH to maintain as a Communal Room	Improvement	
Earl House	Unlikely to Invest		Asset Transfer or Disposal by the Council	No change	

Fairclough Court	Unlikely to Invest		EDH to maintain as a Communal Room	Improvement	
Macrae House	Unlikely to Invest		Asset Transfer or Disposal by the Council	No change	Pursue on-going Asset Transfer to local community
Parkside People's Centre	Do not invest		EDH to maintain as a Communal Room	Improvement	
Roseby Road	Do not invest		Asset Transfer or Disposal by the Council	No change	Pursue on-going Asset Transfer to local community
Shakespeare Centre	Confirm Closure		Asset Transfer or Disposal by the Council	No change	Leased as CAB
Wheatley House	Unlikely to Invest		Asset Transfer or Disposal by the Council	No change	Pursue on-going Asset Transfer to local community
<b>Derwentside Homes</b>					
Crookgate Communal Room	Confirm Closure		Asset Transfer or Disposal by the Council	No change	0 users Market Value - £50,000
Dipton Front Street, Stanley	Confirm Closure		Asset Transfer or Disposal by the Council	No change	0 users Market Value - £110,000
<b>Cestria Housing Association</b>					
Cedarwood Communal Room	Unlikely to Invest		Cestria to maintain as a Communal Room	Improvement	Market Value - £60,000 Proposed refurbishment by Cestria estimated at £37,811
Fell Rose Court	Do not invest		Asset Transfer or Disposal by the Council	No change	Disposal by Assets in progress
Gairloch Drive	Confirm Closure		Transfer to Cestria to find alternative use, redevelop or demolish	No AT option	0 users Market Value - £60,000 Refurbishment by Cestria estimated at £51,684
Hambledon Hut	Confirm Closure		Transfer to Cestria to find alternative use, redevelop or demolish	No AT option	0 users Market Value - £30,000 Refurbishment by Cestria - £42,500
Jubilee Close	Unlikely to Invest		Cestria to maintain as a Communal Room	Improvement	Market Value - £60,000 Proposed refurbishment by Cestria estimated at £52,830
Sanders Memorial Hall	Do not invest		Cestria to maintain as a Communal Room	Improvement	Market Value - £5,000 Proposed refurbishment by Cestria estimated at £42,600

Wood Street	Confirm Closure		Transfer to Cestria to find alternative use, redevelop or demolish	No AT option	0 users Market Value - £45,000 Refurbishment by Cestria estimated at £43,500
Chester Moor Hut	Unlikely to Invest		Cestria to maintain as a Communal Room	Improvement	Market Value - £120,000 Proposed refurbishment by Cestria estimated at £35,770

£84,300