

Executive

27 April 2017

Report of the Director of Economy and Place

**Portfolio of the Executive Member for Finance and Performance and
Executive Member for the Environment**

Proposed Long Term Lease – Tang Hall Community Centre

Summary

1. This report seeks an Executive decision on granting a lease of Tang Hall Community Centre to the Trustees of Tang Hall Community Centre (TTHCC) for a Term of 30 years at a peppercorn rent.

Recommendations

2. The Executive agree to the letting of the Tang Hall Community Centre to the Trustees of Tang Hall Community Centre for a Term of 30 years, at a peppercorn rent, in accordance with the general conditions set out in the Council's Community Asset Transfer Policy.

Reason: To ensure the sustainable future use of a community facility and transfer maintenance and repair responsibilities to the trustees.

Background

3. The Council has a history of transferring the management of community centres to the community, for example;
 - a) Clementhorpe Community Centre – 30 year lease
 - b) Priory Street Community Centre – 99 year lease
 - c) Oaken Grove Community Centre – 99 year lease
 - d) Clements Hall – 99 year lease

4. The Council's Community Asset Transfer policy states that qualifying community groups may be offered a lease up to 99 years on a nil rent basis subject to the conditions referred to in that policy including that:
 - i) The tenant has full responsibility for repairs and decoration and for payment of all outgoing relating to the premises including insurance, business rates and utility costs.
 - ii) The premises must be open to the public for a minimum period during each year
 - iii) The tenant is restricted from transferring the lease.
5. The terms of the proposed lease of the Property to TTHCC will reflect these conditions except it is suggested that that the Council reimburse TTHCC for the cost of repairs carried out by them for the first 4 years of the lease period subject to the following provisos:
 - i) The cost of repairs claimable from the Council cannot exceed a total of £7,000 per annum and
 - ii) Written permission is obtained from the Council by TTHCC before they carry out any repairs or alterations to the Property.
6. Under the Community Asset Transfer Policy, the term of a lease granted to a tenant is to be decided on a case-by-case basis, but should be long enough to ensure that the tenant can apply for any funding needed to support the use it will make of the premises, and any work it needs to repair/refurbish/improve the property.
7. The property is a council owned, but community managed facility in an area of high deprivation, with mixed communities of families, older people and students.
8. The property has a main hall which is a fantastic function space with supported kitchen facilities. The ground floor also consists of; main reception office, 6 small meeting/office spaces and associated toilet and changing rooms. On the first floor, via a separate entrance is an open plan office. The grounds are secure with a small playground and multi games court with floodlights. The property also has a modest car park.

9. In November 2014 the TTHCC, voted at their AGM to become a Community Incorporated Organisation (CIO) with a new constitution and rules. The purpose of the organisation and charitable trustees are :
 - i. To promote the benefit of the inhabitants of Tang Hall without distinction of sex, sexual orientation, age, disability, nationality, race or of political, religious or other opinions, by associating together the said inhabitants and the statutory authorities, voluntary and other organisations in a common effort to advance education and to provide facilities in the interests of social welfare for recreation and leisure-time occupation with the object of improving the conditions of life for the said inhabitants.
 - ii. To maintain and manage the community centre (whether alone or in co-operation with any statutory authority or other person or body) in furtherance of the Objects.

10. The work of the current trustees has transformed the use of the centre and made a substantial difference to the local community. They have a five year business plan and have identified their 'Unique Selling Points' as:
 - a. It is a community centre run by local people themselves, and so embodies the spirit and principles of collective self-help, community action and voluntary endeavour
 - b. It generates significant added value, not least through the number of volunteers regularly committing their time to organising and supporting activities
 - c. Precisely because the centre and its portfolio of activities doesn't rely on contract income, it is independent of state influence and therefore can be wholly aligned with what local people say they need and want
 - d. It has the ability to 'reach the parts that others cannot reach'; through its strong local networks and connections it can reach out to the most vulnerable and disadvantaged people, enabling them to benefit from the centre's services

11. Tang Hall is the largest area of social housing in York covering two wards and has a range of social and economic problems and challenges. TTHCC responds to this by housing a range of services - debt advice, housing advice, a food bank, mental health advocacy services, social support for people with learning

disabilities, social activities such as lunch clubs and cafés, sports and health services.

12. In addition the TTHCC have a proven track record of drawing in funding to match the needs and aspirations of the local community to deliver community engagement projects. For example, they have a project called 'Tang Hall Online' which has been funded by the People's Health Trust. The aim of this 2 year project is to improve access to new technology for all by making Tang Hall Community Centre a hub for digital literacy. This will improve basic literacy and numeracy and, by offering informal group learning that is family orientated, will help to alleviate loneliness and improve social and community skills, and thus improve physical and mental health.

Consultation

13. There has been ongoing dialogue between the trustees and the Council's Strategic Services Manager for the last 4 years, to explore the best way to formalise the landlord and tenant relationship that has existed for some time.
14. In 2013, the Council supported the trustees to apply for a £10k 'Pre-feasibility' grant to investigate whether an asset transfer would be the right move. Their grant application to Locality as part of the Community Ownership and Management of Assets (COMA) was successful.
15. The next 12 months involved the trustees working with Locality to assess:
 - i. The building condition
 - ii. Community engagement survey
 - iii. Legal advice on terms of lease
 - iv. Business planning support and advice
 - v. Asset transfer health check
16. The Council were able to support the process by providing an Asset Transfer Pack which contained all the information needed to allow the trustees to make an informed decision.

Council Plan for 2015 – 2019

17. Under the Council Plan these proposals will assist in supporting;

- A prosperous city for all
 - Local residents enjoy a facility to promote creativity and the well being of those in the neighbourhood.
 - Residents can enjoy use of a building which is part of the city's unique heritage and be included in a range of activities.
- A focus on frontline services
 - Everyone has access to opportunities regardless of their background
 - Residents are encouraged and supported to live healthily
- A council that listens to residents
- Engaging with the community to provide creative space for local residents

Implications

18. **Financial** – an immediate saving of £5k per annum can be made from the annual revenue budget for community centres, with a further saving from 2021/22. The proposal will support the delivery of this saving.

Human Resources (HR) – none

Equalities - none

Legal – The General Disposal Consent Order gives the Secretary of State's consent (for the purposes of S.123 of the Local Government Act 1972) to the disposal (including by way of lease) of non-housing property by local authorities for a consideration less than the best reasonably obtainable provided that both of the following conditions are satisfied:

- (i) the difference between the consideration being obtained and the best consideration reasonably obtainable/market value does not exceed £2m and
- (ii) the Council (acting reasonably and properly) considers that the disposal is likely to facilitate the promotion or improvement of the economic, environmental or social well-being of the area.

Crime and Disorder – none

Information Technology (IT) - none

Property – The building condition survey completed in 2016 identifies significant investment of over £60,000 required over the next 30 years and CYC have agreed to support this for the first four years of the lease capped at £28,000. This allows the charity to work up a funding strategy to manage the longer term lifecycle liability cost. The council financial support will be made from the community centres revenue budget.

Public Health – none

Planning – none

Risk Management

- 19. There is a risk that the TTHCC ceases to exist or fails and in that eventuality the lease will terminate and the asset will revert back to the council so the risk is considered to be low.

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Wards Affected: Heworth

All

For further information please contact the author of the report

Background Papers:

Annexes

Annex 1 – Plan – Tang Hall Community Centre

List of Abbreviations Used in this Report

AGM – Annual General Meeting

CIO - Community Incorporated Organisation

COMA - Community Ownership and Management of Assets

TTHCC - Trustees of Tang Hall Community Centre