

Report to Communities and Environment Scrutiny Committee – December 2024

Topic: Communities Centre Review

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1 Purpose

1.2 To update the Overview & Scrutiny Committee on the progress of the Communities Review, including the engagement process to date.

2 Action Required

1. Note progress on engagement to date.
2. Acknowledge next steps as outlined in the paper.

3 Objectives

3.1 As part of the approved 2024-2027 MTFP the Communities review project seeks to deliver the objective 'to remove the subsidy of £613k to communities to NIL Budget' by April 2025. The budget lines for the subsidy consist of; repairs and maintenance for centres, grants for associations, training costs, office facilities and staffing. To deliver this saving the service will have to either transfer or close all community centres.

3.2 The project will operate in line with Corporate Landlord policy regarding lease offers and disposals. The project understands that the Corporate landlords aim is for all future leases to be Full Repairing and Insuring (FRI) as well as a Market Rental Value (MRV) however following engagement amendments to policy are being considered to protect strategic assets. Also, business support sessions to be provided to all associations to enable the development of business plans to support the longer term aim of market rent and self-sustainability.

4 Background and Context

4.1 Community Centre's across the city offer various services, including social, educational, and recreational activities, and act as access points to statutory services. Many provide youth programs, nurseries, health services, and serve as emergency sites (e.g., Covid testing). Centres managed by Community Associations offer volunteer and democratic management opportunities, and they are often used for council functions and as polling stations.

5 Key Actions and Timelines

- **Complete:** Non-closure strategy, standardised lease terms, and mapping of desired essential community assets.

- **Ongoing:** Association and Councillor engagement to assess impact and mitigate risks.
- **Upcoming:**
 - Lease negotiations: Nov 2024 - Mar 2025
 - Revised EIA for displaced groups: Oct 2023 - Jan 2024
 - Executive Board report development: Nov 2024 - Mar 2025
 - Formal staffing consultation: Nov 2024 - Mar 2025
 - Asset transfer to Corporate Landlord: Dec 2024 - Mar 2025

6 Proposed Approach

6.1 The project aims to retain a network of self-sustaining Community Centres. Achieving this will be through offering leases to current associations. The project understands that the corporate aim is for all future leases to be Full Repairing and Insuring (FRI) as well as a Market Rental Value (MRV). However this may be reviewed following engagement feedback.

6.2 Reallocate buildings where lease offer declined and explore if other community groups or third parties are interested in taking it on, through open market.

6.3 Buildings unable to secure a lease with an association, community group or third party will be disposed of via declaring the buildings surplus to the Communities service area and transferring the buildings to the Property Portfolio. Disposal will allow for capital receipts to be gained for the surplus buildings.

6.4 There will be a workstream to support relocating services that are disrupted as part of the project

7.0 Engagement update

7.1 There have been three engagements taking place;

- Association Engagement- 23/09/2024 – 18/11/2024
- Councillor Engagement – 11/09/2025 – 25/10/2024
- Internal Stakeholder Engagement – MS Teams sessions on 15th and 18th October 2024

7.2 The feedback from these engagements have been summarised as;

- Financial concerns - Market rent. Financial concerns – Increased operational costs from absorbing repairs and maintenance, business rates and building compliance
- Increased responsibilities presenting as a risk of volunteer strain and sustainability of association
- Impact on service provision if they are not able to afford new rates due to associations increasing room hire
- Association accountability if unable to be successful in taking on terms
- Heads of Terms does not provide detailed lease terms for their building
- Acquiring historic repairs

7.3 Suggested mitigation

- All three engagements are questioning the possibility of reduced rent
- Phased introduction of aspects of the lease- especially compliance and business rates
- One year break clause
- Still having a NCC support contact
- Purchasing the building

8.0 Key risks

8.1 This table displays some of the key risks the project has identified

Risk	Mitigation Comments
Current associations unable to take on the proposed lease terms; market rent, compliance, repairs and maintenance, volunteer strain and training for new responsibilities	Property to consider the wider business case when offering lease terms. Consideration to policy change to enable strategic assets are protected. Business support sessions.
Impact on current provision (including; nursery, youth, polling and emergency planning)	Understand what services are being offered in the building Relocate service where possible Negotiation building availability for polling and emergency planning
Resistance due to impact on existing services.	Property to consider the wider business case when offering lease terms.
Inability to shape the community service offer for the city	Tolerated risk, but if approved ongoing staff resource will provide ongoing support.
Void buildings –risk of ASB, delays in disposal	Explore option of Tenancy At Will under building guardianship terms Strong communication with Disposal Team and legal RE pipeline of disposals Explore growth bid for void costs
Budget removal and ongoing management costs	Growth bid for additional officer post beyond April 25 to support with residual staffing duties
Property and legal resource to complete large number of leases	Property recruiting interim role Tenancy at Will options explored if needed Legal well cited on upcoming flow of work

9.0 Project Next Steps

9.1

- Continue to manage and mitigate project risks - ongoing
- Complete Association engagement – Nov 24
- Begin lease negotiation – Jan 25-March 25

- Understand the impact of project on Community Centre network and services offered, and develop mitigations to service provision – Nov 24 – Jan 25
- Revise the Equality Impact Assessment – Nov 24 – Jan 25
- Consult with staff on potential redeployment or redundancy options Nov 24 – March 25
- Transfer assets to the Property Portfolio. Jan - March 25
- Aim to Cease subsidies by April 25.

For further information, please contact:

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