

Nottingham City Council Delegated Decision



Nottingham
City Council

Reference Number:

2899

Author:

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Department:

Communities

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Subject:

Community Centre Leases

Total Value:

Up to £300 (Type: Revenue)

Decision Being Taken:

- 1. The approval to enter into leases for Community Centres through a structured and consistent approach**
- 2. To delegate authority to the Director of Strategic Asset and Property Management to choose the most appropriate method, and agree terms and variations of leases of Nottingham City Council Community Centres to Not for Profit Voluntary and Community Sector Organisations.**

Reasons for the Decision(s)

To put in place a formal right to occupy and manage Nottingham City Council Community Centres. Community Centres were previously occupied through a variety of agreements attached to funding and through Service Level Agreements, and held over leases.

To agree terms and conditions for the occupancy of Community Centres in a transparent and consistent method through a generic based Heads of Term that will then inform the lease

Over the last year work has been undertaken to produce a generic lease for Community Centres.

Work with the Voluntary Sector Organisations (mainly Community Associations) currently managing the buildings has been undertaken which has included supporting the transition from unincorporated to Incorporated this limiting the volunteers liability and giving a formal legal entity. Nottingham CVS has been working with the organisations and the Charity Commission on moving the governance to the Charitable Incorporated Organisation (C.I.O.).

The Communities Centres Team have been working with colleagues in the Legal Services Team to generate a lease that satisfies the requirements of Nottingham City Council whilst also acknowledging the Voluntary Organisations capacity and commitment in their undertakings. In order to offer a peppercorn rent agreement a set of criteria was drawn up that shows the organisation is meeting the requirements of a community not for profit structure. These criteria will be assessed annually with a 3 month rectification period. Support will be offered to assist organisations to meet this criteria therefore not putting undue pressure on the volunteers that would then need to meet the market value rents.

The lease retains use of the buildings for Strategic operations - e.g. Elections and Emergency Evacuation Centres. Advice has also been sought in relation to the PREVENT agenda to word the leases to ensure the Organisations running the centres have support to stop the centres being used by extremist groups/individuals.

It is envisaged the leases will be offered in 3 phases to all Voluntary Managed Community Centres. The first tranche being the centres that have CIO or equivalent liability status and that have the capacity to meet the peppercorn criteria. Having a formal tenancy agreement in place increase the opportunity for Associations to apply for external grants which would support the Service in attaining the budget savings.

Other Options Considered:

Do Nothing - this was rejected as the occupation of Council owned buildings needs to be through a formal agreement to clearly show the terms of occupation and the responsibilities of both parties to allow for the safe and appropriate use of council resources.

Issue Tenancies at will - this was rejected as these are short term arrangements and would not give sufficient security to allow for future development and service sustainability.

Background Papers:

None

Published Works:

None

Affected Wards:

Citywide

Colleague / Councillor Interests: None

Any Information Exempt from publication: Yes

Exempt Information:

Description of what is exempt: Heads of Terms relating to leases for Community Centres

An appendix (or appendices) to this decision is exempt from publication under the following paragraph(s) of Schedule 12A of the Local Government Act 1972

3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The public interest in maintaining the exemption outweighs the public interest in disclosing the information because it could prejudice future negotiations

Documents exempt from publication: 2017 April HOT.doc

Consultations: Those not consulted are not directly affected by the decision.

Crime and Disorder Implications: Community Centres offer varied activities to a wide and diverse audience. They can react to emergencies and offer surgeries for police and local councillors as well as residents consultation events where local concerns can be raised. Activities can be targeted to reduce crime and anti social behaviour within a local area.

Equality: Please login to the system to view the EIA document: Equality impact assessment May 2017 leases (3).doc

Decision Type: Portfolio Holder

Subject to Call In: Yes

Call In Expiry date: 04/08/2017

Advice Sought:

Legal, Finance, Equality and Diversity, Property

Legal Advice:

**This proposal does not pose any significant legal issues. Legal Services will work together with Communities and Property to ensure that the Leases are drafted to suit the circumstances of the particular community centre but it is important that the leases are in substantially the same form to ensure consistency across the community centres.
Advice provided by Rebecca Beecroft (Solicitor) on 15/06/2017.**

Finance Advice:

**This decision seeks approval to enter into updated lease agreements for Community Centre tenants which are usually Community Associations. The leases will ensure consistency in the relationship between the Council and its tenants in Community Centres, and also clarity in terms of responsibilities in maintaining the Centres and the running costs. The Voluntary Sector Sustainability team will continue to work with tenants such as Community Associations to maximise their income from and reduce costs such as exemption to business rates.

Implementation of consistent lease agreements will support the delivery the Improvement Plan and the £25,000 savings approved in the 2017/18 budget.

Advice provided by Maria Balchin (Finance Analyst) on 24/05/2017.**

Equality and Diversity Advice:

The opportunity for standardised agreements provide centres with a necessary stabilising mechanism. For a number of groups e.g. BME organisations access to funding in a shrinking budget pool will mean necessary services might have a chance of survival individually or by working differently together. Advice provided by Adisa Djan (Equalities and Diversity Consultant) on 05/06/2017.

Property Advice:

**Having all community centre leases on a consistent and structured approach will ensure:
1- transparency in dealing with occupants of leased community centres
2- greater clarity and transparency over the rights, responsibilities and obligations of each party
3- consistency and clarity over obligations to repair and pay rent and outgoings

Advice provided by Mona Walsh, Principal Surveyor on 10 May 2017. Advice provided by Mona Walsh (Principal Surveyor - Community Portfolio) on 10/05/2017.**

Signatures

**Toby Neal (Portfolio Holder for Community & Customer Services)
SIGNED and Dated: 28/07/2017
Andrew Vaughan (Corporate Director Commercial and Operations)
SIGNED and Dated: 17/07/2017**