

Neighbourhood Services Scrutiny and Performance Panel – 12 June 2007

Lease arrangements – community associations and neighbourhood resource centres

Summary of report

This report sets out a proposed response to implementing lease arrangements for those community associations and neighbourhood resource centres that currently do not have such arrangements in place. The recommendations build on the work undertaken by Neighbourhood Services Scrutiny Working Group on Community Associations and best practice identified and sought in the recent government publication “Community Management and Ownership of Assets”. It is proposed to offer the centres a 15 year lease with a peppercorn rent. The individual centres will be responsible for day to day repairs and maintenance of the buildings they occupy.

Recommendations

- (a) That the approach of granting 15 year leases with a peppercorn rent to community associations and neighbourhood resource centres be approved, with negotiations on detail with individual centres commencing in July 2007.
- (b) That the current state of repair of each building be established prior to negotiations concerning the detail of the lease arrangements commencing.
- (c) That a future report be brought back to Cabinet advising on the implications of introducing this standard approach to lease arrangements for all community and voluntary organisations who occupy a Council building, some of whom have existing lease agreements.

Resource and legal considerations

The Scrutiny Working group considered the resource and legal implications of introducing a 15 year lease with peppercorn rent with the centres being responsible for day to day maintenance and the Council being responsible for major repairs. A lease would formalise an existing arrangement as Community associations and neighbourhood resource centres have been delivering their services from Council buildings on a goodwill basis to date with no formal arrangement in place for their occupancy. In addition, the centre’s management boards have maintained the buildings in a good state of repair and in some cases have undertaken improvements as part of their own forward planning. To date the cost of major repairs (such as replacement roofs) in these centres have been met from within Council budgets.

Insurance for the centres could be covered via a block policy held by the Council. The cost of this is currently being investigated through Property Services but is estimated to be minimal additional cost. All Centres have policies to insure their contents.

Condition surveys are available for all affected centres, although some are now 12 months old. It is recommended that the condition surveys are updated as part of the implementation of the lease arrangements. This would ensure both parties are aware of

existing and future potential liabilities. The cost of updating the surveys can be met from within existing budgets.

Following on from the report prepared by a government cross-sector working group on "Community Ownership and Management of Assets" in March 2006, consultation is currently underway on a proposed Community Assets Fund. Both present an opportunity for local authorities to strengthen the role of community based organisations in creating sustainable communities through their local contribution to social, environmental and economic improvements.

The report highlighted the existing powers and opportunities available to local authorities, which are:

- The general 'wellbeing' power that local authorities have to further the economic, social and environmental wellbeing of their area.
- The 2003 general consent given by the Secretary of State to local authorities to dispose of assets at less than best consideration within certain constraints and conditions.
- The power for local authorities to grant leases of premises at less than market rent for up to seven years, and the extension of this power with regard to premises used for 'recreational purposes' for any period.

The lack of a formal lease, as highlighted in previous Cabinet reports, has disadvantaged the community organisations in that they have been unable to secure larger amounts of external funding, such as New Opportunities Fund, as they require a lease to be in place of at least 15 years before these bodies will grant funding.

The Community Assets Fund (£30 million pound in total) is proposing to offer grants in the region of £250,000 to £500,000 for capital expenditure on refurbishment. Grants will be available to strong partnerships between local authorities and community-led third sector organisations. The partnerships are expected to demonstrate strong community leadership and endorsement for the transfer of the asset, showing that the asset will be used for a range of activities and accessible to a variety of front line groups, especially those working with disadvantaged communities.

The proposed lease will regularise the organisation's occupancy of the centre, establish a common set of standards for community buildings across the borough and be the basis for demonstrating a strong partnership between the Council and community-led organisations.

Citizen impact

The council is striving to create safer and stronger communities and fully recognises the role that community associations and neighbourhood resource centres can play in this. The DCLG research highlighted good evidence of the benefits to be obtained by increasing community ownership and management and also how the transfer of assets can help local authorities to achieve their wider targets.

Benefits for the community include restoring confidence in a neighbourhood and attracting new investment, giving a boost to the local community and the ability to use any surpluses generated to support innovatory local projects.

Benefits to the Council include making services more accessible to local people by offering a based for them in the neighbourhood and the ability to be more community responsive and able to relate to local need.

The Council has evidenced its commitment to supporting the voluntary and community sector in its endeavour to deliver quality services and activities in their neighbourhood that matter to their community by signing up to the principles of Walsall's Compact and entering into new partnerships through the Local Area Agreement. The process of strengthening the Council's relationship with the sector began with the recent review of youth funding and adult learning provision. By promoting the government's agenda of greater community ownership and management of assets the Council will be reinforcing their aim to support the voluntary and community sector in a positive and sustainable way.

The introduction of a formal lease arrangement will realise the Council's ambition of creating stronger communities. In addition, individual organisations will be in a position to be able to secure more external funding than they have previously been able to. This will help with both the sustainability of the individual organisations and also underpin their role as local service deliverers.

Community safety

Community based organisations such as neighbourhood resource centres and community associations provide the Council with the opportunity to consult with local people on issues relating to crime and community safety. This local perspective is fed into the work of the LNPs safer and stronger community action groups. The community intelligence gathered via this route will better inform the work and interventions brought forward through the multi-agency working of the borough-wide community safety intervention group.

Environmental impact

Well maintained community buildings in a neighbourhood create cleaner, safer and greener neighbourhoods. The majority of neighbourhood resource centres and community associations engage groups to participate in local environmental projects such as Walsall in Bloom, creating play areas for younger children and local clean ups. The benefits gained go beyond the centres themselves and extend into the wider community.

Performance and risk management issues

The lease arrangements will be reviewed on a regular basis to make sure they are still fit for purpose and meeting the needs of both the Council and the centres. The centres will be required to have in place a robust and sustainable business plan which will be monitored as part of the lease review. The centres will continue to require support in order to manage the risks associated with securing longer term funding to assist with their business planning. This support is available from the Council's community development team and also through Walsall Voluntary Action.

Equality implications

Neighbourhood resource centres and community associations are able to engage with a different parts of Walsall's diverse community. The complementary working arrangements of the local neighbourhood partnerships and community development teams will address the current gaps in engagement identified recently in an equalities impact assessment undertaken by the neighbourhood partnerships team on the real and perceived inequalities in the representation of local communities in the LNP process. The assessment focused on issues of age, ethnicity, gender and disability and recommended ways to improve relationships and build trust with all members of the community to decrease and eliminate equality gaps in community engagement at the LNP level in ways appropriate to each group.

Consultation

Representatives from the Walsall Federation of Community Organisations (WFCO) were invited to attend a meeting of the Scrutiny Working Group on 21 March 2007. This formed part of the wider consultation that has been undertaken with WFCO and non-WFCO members in both a formal and informal capacity. Positive feedback and constructive input from those in attendance has assisted in the formulation of the proposed lease arrangement.

Vision 2008

Strengthening the Council's relationship with the voluntary and community sector contributes towards the Council's pledges of making it easier to access local services and listening to what local people want.

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