

Performance & Finance Feedback In respect of: Community Use of Council Owned Buildings

Membership: Councillor Dunn – Chair
 Councillor H B Patel
 Councillor Bessong
 Councillor Ahmed
 Councillor Butt
 Councillor Mendoza
 Councillor Pagnamenta
 Councillor Van Kalwala

Date: 9th December 2009

Lead Member:

Lead Officer: Richard Barrett

Recommendation	Has or will this be Implemented / Not Implemented	If not Why not	Timescales for implementation	Officer Responsible
<p>Consider the framework for effective community use of council owned buildings</p> <p>The following policy areas should be considered together in future when addressing community use of council owned buildings - asset management leasing policy, voluntary sector strategy development and projects such as the voluntary sector resource centre project. In addition we should also be cognisant of</p>	<p>A Voluntary Organisations Property Group (VOPG) has been formed containing representatives of each relevant Department to formulate a policy and methodology to implement this framework.</p>			<p>Howard Fertleman</p>

<p>. Develop a consistent leasing policy</p> <p>) Development of a community portfolio which sets out the assets covered by the policy</p> <p>Designate the present group of assets looked at by the task group as a „Community portfolio“</p> <p>Provide a clear explanation of any other assets which would be subject to the policy of presently in the newly termed „community portfolio“ to ensure fairness and consistency in the leasing of assets to the voluntary and community sector</p> <p>) The recommendations put forward from a number of previous audits into community buildings should be taken on as principles underpinning the future leasing policy:</p> <p>Council should consider moving all peppercorn arrangements onto market rental (as and when feasible)</p> <p>Tenant abatement or payment of a grant should be used where financial assistance is required</p> <p>Groups“ activities and outputs should be monitored before and throughout the lease</p>	<p>3(a) A Community Portfolio has been compiled by Property and Asset Management (P&AM). The VOPG is drawing up definitions as to what property assets should be included in this Community Portfolio. P&AM and Legal Services will provide guidance on the policy.</p> <p>3(b) The VOPG is looking not only at recommendations from previous audits but is looking at the recommendations from current audits as the principles to underpin future leasing policy. The VOPG is also looking at the current experiences of letting community buildings to try and ensure effective lettings and monitoring of tenants activities in</p>			<p>Richard Barrett. Robert Vale.</p> <p>Howard Fertleman</p>
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<p>eriod to ensure these match the Council's ey objectives and agreed outputs</p> <p>r particular, where rent abatement is given r a grant is paid, the lessee should enter to an agreement with the Council providing at rent</p> <p>batement or payment of the grant will be ithdrawn if certain specified outputs are not et</p> <p>esponsibility within the council for this eeds to be clarified at Corporate anagement Team level</p> <p>) Development of a consistent approach to sset transfer</p> <p>he council presently transfers assets in ractical terms through the provision of 25 nd 99 year leases.</p> <p>hought should be given to application of re principles of long leases for any other ssets after the outcome of the one council ask group on asset management is known.</p> <p>r primarily this should be a short term leases nder 7 years.</p> <p>onger term leases can be between 10years 125 years. Longer leases generally etween 10 and 25 years, and no more than 0 years be offered only in specific ircumstances and where a group has met a</p>	<p>line with Committee policy .The VOPG is at present in the process of defining the criteria that would allow a rental abatement or the provision of a grant.</p> <p>3(c) The VOPG is defining the criteria in which the Council would grant longer term leases the length of such longer term leases and what the type of proposed lessee that such a lease will be granted to.</p>			
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<p>tringent test of capacity and alignment with ey Council objectives such as Local Area greement targets. This is in line with Quirk roposals for the need to assess capacity nd capability.</p> <p>) Development of a leasing policy drawing n best practice elsewhere</p> <ul style="list-style-type: none">▸ The contractual and leasing rrangements should be standardised for re community portfolio▸ The policy approach agreed for the 16 outh and Community Centres in 2003 hould be extended and added to so that:▸ Generally leases would be granted for 7 ears or less▸ These should be contracted out of L&T ct 1954 Part II,▸ These should include an annual tenant reak clause and possibly a landlord break lause▸ These should include internal repairing nd insurance clauses because the tenant ill then take responsibility for the day to day anagement and maintenance of the uilding and will be the entity occupying the uilding on a daily basis	<p>3(d) The VOPG is looking at various models and best practices employed by other Councils especially Sheffield City Council. The drawing up of a standard lease containing all the recommendations of the PFSC and the Executive Report of the 14th July 2009 is being discussed with Legal Services.</p>			
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These should have a restricted user clause and alienation clause to prevent, over time the property not being used for the original intention or by the original occupier without prior Council approval

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Long leases (i.e. for more than 7 years), should exceptionally be available:

- where this meets community outputs critical to council and the community organisation need a long lease to obtain funding (confirmation of funding would be required before agreement)
- where this links to capital funding possibilities (confirmation of funding would be required before agreement)
- where there is some other strong justification for this.

In addition the legal requirements set out in section 8 would need to be met alongside a test of capability and capacity to ensure the effective use of the asset in the future. (The example highlighted as best practice at section 7.34 should be noted here).

Long lease break clauses should be considered as the norm to safeguard the long term value of Council assets and also

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<p>› insure against future failure of the organisation to continue to operate effectively or fail to meet Council objectives.</p> <p>› Shared use of premises should be encouraged where appropriate, to ensure effective and efficient use of council assets to the benefit of Brent residents.</p> <p>) The policy approach once agreed should be taken forward as one part of the Voluntary Sector Strategy</p>	<p>3(e) This will be done in consultation with the VOLG once the policy approach is agreed.</p>			
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<p>. Strengthen governance of the community portfolio’ developed in line with any aspects developed within the voluntary sector strategy</p> <ul style="list-style-type: none">) Ensure community outcomes are linked to any provision of below market rent leases within the „community portfolio“) Clarify responsibility and process for monitoring of the community outcomes) Ensure linkage to the community strategy priorities for all community outputs in line with the process which is being developed for the voluntary sector strategy) Ensure appropriate consideration of quality and diversity to ensure the fairness of this process) Ensure clear advice and guidance on the monitoring process is provided in one place for voluntary and community sector organisations 	<p>5(a) It is anticipated that each Department within the Council where appropriate, will sponsor a particular organisation. They will monitor the Organisation’s outputs to ensure that the particular group is eligible for a rental abatement or grant provision on a yearly basis.</p> <p>5(b) Each Department has now been circulated a list of community assets together with the occupying community groups.</p> <p>5 (c) The definitions of the community outputs and what is required of each group will be in line with the final defined voluntary sector strategy that is being compiled by the VOLG.</p>			
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	<p>5(d) Equality and Diversity is a key element in the VOLG's formulation of the Voluntary Sector Policy to ensure fairness in granting of future leases,</p> <p>5(e) It is anticipated that regular meetings will take place with all voluntary sector tenants through the VOLG monitoring process.</p>			<p>The VOLG.</p>
<p>. Continue to develop the Voluntary Sector Resource Centre Project</p> <p>) Continue to support the voluntary resource centre projects and others like it in the longer term as an effective way of empowering the voluntary and community sector</p> <p>) Identify if there are any other projects which provide similar benefits to community and voluntary sector organisations</p>	<p>6(a) Housing and Community Care is drawing up a Resource Centre requirement schedule in conjunction with BRAVA.</p> <p>6(b) This is a matter for Voluntary Organisations Sector to progress.</p>			<p>Linda Martin</p>
<p>. Feed into the response to the Quirk review</p> <p>) Feed learning from the task group into</p>	<p>7(a) This has been</p>			

irent' s response to the Quirk review in particular the focus on projects like the voluntary sector resource centre, and the recommendations about Brent' s leasing policy.

undertaken.