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: 16th February 2010
Lead Member:
Lead Officer: Richard Barrett

Recommendation	Has or will this be Implemented / Not Implemented	If not Why not	Timescales for implementation	Officer Responsible
1. Consider the framework for effective community use of council owned buildings i) 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	**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.**	**Group set up but meetings to be set up bi monthly not quarterly as has happened to date. Next meeting to be on 4th March 2010.**	**By June 2010 the group to have agreed all policies.**	**Howard Fertleman**

Government policy in this area.				
. Co-ordinate the council's approach) Establish clear responsibility for leading n this area of work at CMT level) Establish a coordinated way of managing ommunity use of council owned buildings nd monitoring the related community utputs	**2(a) The Director of Finance and Corporate Resources will lead on this area of work at the CMT level.** **2(b) Service Departments have been sent a list of all the property assets contained in the Community Portfolio. These Departments will be responsible for monitoring the community outputs of these tenants.**			**Duncan McLeod** **Howard Fertleman** **Linda Martin**

. Develop a consistent leasing policy) Development of a community portfolio /hich sets out the assets covered by the olicy)esignate the present group of assets poked at by the task group as a „Community ortfolio" 'rovide a clear explanation of any other ssets which would be subject to the policy ot presently in the newly termed community portfolio" to ensure fairness and onsistency in the leasing of assets to the oluntary and community sector	**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.**			**Richard Barrett.** **Robert Vale.**
) The recommendations put forward from a umber of previous audits into community uildings should be taken on as principles nderpinning the future leasing policy: Jouncil should consider moving all eppercorn arrangements onto market rental as and when feasible) Rent abatement or payment of a grant hould be used where financial assistance is equired Jroups" activities and outputs should be nonitored before and throughout the lease	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 under pin 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			**Howard Fertleman**

eriod to ensure these match the Council's ey objectives and agreed outputs n particular, where rent abatement is given r a grant is paid, the lessee should enter to an agreement with the Council providing hat rent batement or payment of the grant will be ithdrawn if certain specified outputs are not et Responsibility within the council for this eeds to be clarified at Corporate lanagement Team level	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.	**Once the rental abatement mechanism has been agreed the market rents of all the buildings contained within the Community Portfolio will be established.**		
) Development of a consistent approach to sset transfer he council presently transfers assets in ractical terms through the provision of 25 nd 99 year leases. hought should be given to application of ne principles of long leases for any other ssets after the outcome of the one council ask group on asset management is known. 'rimarily this should be a short term leases nder 7 years. 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	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.	**The VOPG has been establishing the legal parameters that will allow the granting of such longer term leases, especially with regard to the CIPFA regulations and the impact to the Council of granting such longer leases under these financial regulations.**		

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.) Development of a leasing policy drawing n best practice elsewhere · The contractual and leasing rrangements should be standardised for he 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 nanagement and maintenance of the uilding and will be the entity occupying the uilding on a daily basis	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.	**In progress, but there are issues of commercial uses and shared premises with 3rd Sector Organisations. Such issues are being discussed with a view to resolve then problems arising from this in regard to lease terms, rental abatement and the monitoring of outputs.**		

• 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 at 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			

ɔ insure against future failure of the rganisation to continue to operate ffectively or fail to meet Council objectives. · Shared use of premises should be ncouraged where appropriate, to ensure ffective and efficient use of council assets ɔ the benefit of Brent residents.) The policy approach once agreed should e taken forward as one part of the ʹoluntary Sector Strategy	3(e) This will be done in consultation with the VOLG once the policy approach is agreed.			

. Strengthen governance of the community portfolio' developed in line with any aspects developed within the voluntary sector strategy) Ensure community outcomes are linked to ny provision of below market rent leases vithin the „community portfolio") Clarify responsibility and process for nonitoring of the community outcomes) Ensure linkage to the community strategy riorities for all community outputs in line vith the process which is being developed or the voluntary sector strategy) Ensure appropriate consideration of quality and diversity to ensure the fairness f this process) Ensure clear advice and guidance on the nonitoring process is provided in one place or voluntary and community sector rganisations	**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 rental abatement or grant provision on a yearly basis.** **5(b) Each Department has now been circulated a list of community assets together with the occupying community groups.** **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.**	**Departments have not yet agreed to take on monitoring for relevant buildings where the users service output aligns with the service of the Department. Departments will be allocated a Group to monitor by PAM in situations where it is unclear which Department should be monitoring a group's particular output or the Department fails to accept responsibility for any assets.** **The definitions are currently under discussion with the Group Departmental members. The legal aspects and the method of monitoring such outputs are currently under discussion with a view of compiling an appropriate mechanism to ensure that the monitoring is carried out effectively.**		

	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, **5(e) It is anticipated that regular meetings will take place with all voluntary sector tenants through the VOLG monitoring process.**			**The VOLG.**
. Continue to develop the Voluntary Sector Resource Centre Project) 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) Identify if there are any other projects which provide similar benefits to community and voluntary sector organisations	**6(a) Housing and Community Care is drawing up a Resource Centre requirement schedule in conjunction with BRAVA.** **6(b) This is a matter for Voluntary Organisations Sector to progress.**	**The VOPG has met with Mr Christian Brown the Resource Centre Project Manager from BRAVA who has given the Group a presentation as to the requirements needed for such a Centre. Further meetings are planned for further discussions on the project with PAM, Housing and Regeneration and BRAVA.**		**Linda Martin** **Richard Barrett**
. Feed into the response to the Quirk Review) Feed learning from the task group into	**7(a) This has been**			

Brent'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.**			