

## ABERDEEN CITY COUNCIL

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COMMITTEE: **Education, Culture and Sport**

DATE: **12 September 2013**

DIRECTOR: **Gayle Gorman**

TITLE OF REPORT: **Community Centres**

REPORT NUMBER: **ECS/13/060**

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### **1. PURPOSE OF REPORT**

The purpose of the report is to provide an update on the current position of a number of community centres across the city.

### **2. RECOMMENDATION(S)**

It is recommended that the Committee:

- a) Note the update provided in the report.
- b) In respect of Powis Community Centre, instruct officers to bring back a further report on this issue in January 2014 with a recommended longer term resolution, and in the interim seek to put in place a License to Occupy arrangement.

### **3. FINANCIAL IMPLICATIONS**

There are no direct financial implications as a result of this report

### **4. OTHER IMPLICATIONS**

#### Property Implications

The ongoing movement of community centres to leased centre status involves the putting in place of Leases and Management Agreements which govern how these centres are operated and places a number of specific obligations on the Council.

#### Legal Implications

Where agreement is reached with centres, then new leases and management agreements will be put in place as per the models agreed previously by Committee.

## **5. BACKGROUND/MAIN ISSUES**

### **5.1 Move towards leased centre status**

The following community centres have now moved from Council management to leased community centre status:

- Seaton Community Centre
- Mastrick Community Centre
- Northfield Community Centre
- Loirston Community Centre
- Old Torry Community Centre

The following existing leased community centres have now signed up to the new lease and management agreement:

- Balnagask Community Centre
- Balgownie Community Centre
- Catherine Street Community Centre
- Inchgarth Community Centre
- Tillydrone Community Centre
- Sheddocksley Community Centre

The following Centres are currently operating under a month to month licence to occupy:

- Dyce Carnegie Hall
- Ruthrieston Community Centre
- Henry Rae Community Centre

### **5.2 Community Centres on “Old-Style” long term leases**

#### **5.2.1 A number of community centres are on long term old style leases with long term expiry dates:**

- Airyhall Community Centre
- Danestone Community Centre
- Ferryhill Community Centre
- Hilton Community Centre
- Hanover Community Centre
- Kingswells Community Centre

It has previously been identified that these old style leases are not fit for purpose and do not ensure effective governance including any requirement to have effective child and vulnerable adult protection procedures in place. Following the Education, Culture and Sport Committee in May 2013, officers wrote to the affected Management Committees to request that they voluntarily move onto the new style lease and Management Agreement.

It is noted that for some of the Management Committees on long term leases, the Council are providing more support than they are required to under the terms of their long term leases (for example providing an annual Development Grant.) Some of the long term leases also have a clause which allows the Council to bring the agreement to an end.

Please find below the position for each community centre:

**5.2.2 Hilton Community Centre:** the Management Committee has responded to confirm that they would be willing to sign up to the new Lease and Management Agreement, and the relevant processes are now ongoing to enable this to happen.

**5.2.3 Hanover Community Centre:** The Management Committee for this community centre has indicated that they had some reservations about the move to the new Lease and Management Agreement.

#### **Provisions of existing lease**

The lease provides that the Council may terminate the lease at any time if it considers that (a) the tenants are in breach of any of the terms and conditions including the provisions of the annexed management agreement (b) the premises are not being maintained in a neat and tidy condition or (c) activities are being carried on in the premises which in the Council's opinion are or may be dangerous or prejudicial to the amenity of the neighbourhood.

There is also a clause which reserves to the Council the right to "resume" at any time any part or parts of the premises upon giving one month's written notice.

There is no provision in the lease regarding payment of a development grant. The Council are obliged to pay all heating and lighting bills and the first year's telephone rental (thereafter to be paid by the tenants).

**5.2.4 Kingswells Community Centre:** The Management Committee has responded that they do not wish to move onto the new lease and Management Agreement until the termination date of their existing lease in 2018.

#### **Provisions of Existing Lease**

The lease for Kingswells Community Centre is very similar to the Hanover Community Centre lease.

**5.2.5 Airyhall Community Centre:** It is understood that this Management Committee has indicated verbally that they do not see moving onto the new Lease and Management Agreement as a priority.

#### **Provisions of Existing Lease**

The lease for Airyhall Community Centre is very similar to the Hanover Community Centre lease, with the exception that the Council are responsible for the payment of telephone rental for the duration of the lease.

- 5.2.6 **Ferryhill Community Centre:** No response has been received from the Management Committee at Ferryhill Community Centre.

#### **Provisions of Existing Lease**

The lease for Ferryhill Community Centre is very similar to the Hanover Community Centre lease, with the exception that the Council are responsible for the payment of telephone rental for the duration of the lease.

- 5.2.7 **Danestone Community Centre:** It is understood that this Management Committee has indicated verbally that they do not see moving onto the new Lease and Management Agreement as a priority.

#### **Provisions of Existing Lease**

This lease is in different style from the previous two. Again there is no mention of any development grant payment. The tenants are obliged to pay a proportion of the annual cost of the site maintenance of "the entire community facility site of which the premises form part" the proportion being calculated on a total gross floor area basis. The tenants are also obliged to pay the cost of buildings insurance which the Council arrange. The lease makes no mention of utility bills.

There is a general irritancy clause which in essence states that the Council can bring the lease to an end if the tenants contravene any of the lease provisions.

- 5.2.8 Council officers have now written back to the Management Committees of Hanover, Kingswells, Airyhall and Danestone Community Centres setting out what support, currently provided by the Council, is not covered within the terms of their specific Lease, and suggesting that, with a view to putting all Centres on an equal footing they may wish to give further consideration to entering into the new style Lease and Management Agreement. The letter also informs these Management Committees that officers intend to report back on progress in November and this report may include a recommendation to the effect that the Council proceed to adhere in all aspects to the terms of the leases in existence at that time.

### **5.3 Updates on Specific Community Centres**

- 5.3.1 **Ruthrieston Community Centre**

Ruthrieston Management Committee have now formally constituted as a Scottish Charitable Incorporated Organisation. Discussions are currently

ongoing with their representative with a view to putting the new Lease and Management Agreement in place. It is hoped that this work will be concluded shortly.

#### 5.3.2 Froghall Community Centre

St Stephen's Church have confirmed that they are happy to enter into a one year licence to occupy in relation to providing community activities from Froghall Community Centres. Discussions are currently ongoing between their Legal representative and the Council with a view to putting the Licence to Occupy in place. It is hoped that this work will be concluded shortly.

#### 5.3.3 Kincorth Community Centre

Officers are currently awaiting confirmation from the Management Committee about whether they wish to enter into a lease to occupy the building. It is understood that the Management Committee will meet and take a formal decision about the lease by 31 August 2013.

#### 5.3.4 Cairncry Community Centre

The Management Committee have now met to discuss the Lease and Management Agreement. It is understood that they will take a formal decision on how they wish to proceed by 31 August 2013.

#### 5.3.5 Powis Gateway Community Centre

Powis Management Committee wish to become a limited company prior to signing up to the Lease and Management Agreement. Until they have achieved company status, officers have been discussing a month to month licence to occupy.

Powis Management Committee currently informally sublet a substantial part of the Community Centre to a commercial childcare provider. While the Lease and Management Agreement does permit subletting with the agreement of the Council as landlord, it is noted that the Management Committee have never formally asked for consent to do so. However, Asset Management have advised that in this circumstance it would not be appropriate for the Council to approve the sublet. This is for the following reasons:

- The occupation by the childcare provider wasn't the subject of any tendering or procurement process, in terms of the Council's policies on best value, Following the Public Pound etc.
- The childcare provider is a commercial organisation hiring out their service for profit. Unless their tenancy is put on a formal legal basis at demonstrably open market value, the City Council's consent to their agreement with the Management Committee would mean that the Council's revenue funding of the Community

Centre would effectively be subsidising a commercial organisation.

- The part of the building occupied by the Childcare Provider isn't separately metered. The Council's agreement to pay the utilities bills for all Community Centres, means in effect, that the Council are providing free utilities to the commercial organisation.
- Currently no Community Centre pays Non Domestic Rates in terms of rating legislation. Commercial childcare nurseries do require to pay Non Domestic Rates. It is considered likely that the size and scope of the commercial childcare occupation at Powis Community Centre will require Non Domestic Rates to be paid. Currently it is unclear who would pay this. Given that the only reason a Non Domestic Rates liability might arise is because of the occupation of the building by the Commercial Childcare Provider it would appear unreasonable that the Council would meet these costs.
- The Management Committee and the Childcare Provider both claim to have adequate insurance policies in place. However without a formal agreement(s) in place, responsibilities and accountabilities are not clear, which may lead to a position where the insurance policies may not provide full and adequate cover. Officers are currently ascertaining whether the alternative use of the building would have any impact on the Council's insurance policies in respect of this building.

Council officers have discussed the situation with Powis Management Committee who currently realise an income (understood to be significantly less than market value) from the use of the building by the commercial childcare provider. Powis Management Committee are concerned about the impact that the loss of this income would have on their ability to provide a programme of activities from the Community Centre. It is noted that there is currently no written agreement between Powis Management Committee and the Commercial Childcare provider to cover who is responsible for what. This is not of benefit to any party.

There are a number of possible options around this issue:

- Separate Leases

The Council could enter into a separate commercial lease with the Commercial Childcare provider for the area of the building that they currently use. This would be beneficial to the Chidcare Provider and its users as it would ensure continuity of the lease for a guaranteed period (a sub-let could come to an end at 3 months notice if the Management Committee took a decision to end their lease.) This arrangement would also be preferable as the Council's Asset Management team are better able to act as a commercial landlord

and to enforce the provisions of a commercial lease. There may be implications around offering this space to the Commercial Childcare provider, but not any other businesses which may be interested in this space. There could be a significant revenue receipt as a result of such a lease, and consideration could be given to providing some or all of this revenue receipt to the Powis Management Committee. However it is recognised that such an arrangement would effectively result in the Council subsidising Powis Management Committee to a significantly greater amount than all other Management Committees across the city. (Note that most Community Centres are not of a sufficient size to be able to generate revenue through a commercial lease of this type within the building.)

- Requiring the entire building to be run as a Community Centre

This option would involve no commercial leases in the building. The implications may include the Powis Management Committee deciding to walk away, and/or a negative public reaction from users of the Commercial Childcare Provider.

- Community Asset Transfer

This option would involve the ownership and full responsibility for Powis Community Centre transferring to the Management Committee. Under this option the Management Committee would not be bound to any lease or other legal agreement with the Council and would be able to lease out any part of the premises without Council consent. Under Community Asset Transfer, the Management Committee would also be fully responsible for the building and the various responsibilities that brings.

- A Sublet could be granted

Although this option is not advised by the Council's Asset Management Service, if this option was pursued, the Lease and Management Agreement would require to be amended to reflect the requirement of the Management Committee to cover the cost of business rates; for the lease to become a full repairing lease; a requirement for the sublet to be charged at commercial levels; and for separate utilities meters to be installed (it would require to be agreed which party would pick up the additional costs incurred.)

It is noted that the situation has been discussed with the Management Committee at Powis (with the owner of the commercial nursery in attendance at the arrangement of the Management Committee.) The Management Committee seem to understand the complexity of the situation and the need to put everyone on a clear footing. The Management Committee have expressed the view that they require a longer time to consider what option would work best for them and have asked that the Committee delay taking a decision on this issue until January 2014.

### **5.3.6 Cummings Park Community Centre**

It is noted that there is no Management Committee currently connected to Cummings Park Community Centre. Until the outcome of the ongoing CLD and Libraries Analysis is concluded, arrangements have been put in place for some groups to continue to use the building with janitorial support.

### **5.3.7 Altens Community Centre**

Altens Community Centre lease is currently operating under Tacit Relocation and notice has been provided for this being terminated on 28 November 2013. The Management Committee at Altens Community Centre have formed a Scottish Charitable Incorporated Organisation, and we have been advised that they are establishing a working group in September to consider the new Lease and Management Agreement.

## **6. IMPACT**

Corporate – This report relates to ‘Aberdeen – the Smarter City’

- We will work with our partners to seek to reduce the levels of inequality in the city.
- We will enhance the physical and emotional wellbeing of all our citizens by offering support and activities which promote independence, resilience, confidence and self-esteem.
- We will provide a high quality education service within our schools and communities which will improve attainment and life chances of our children and young people to achieve their full potential in education, employment or training.
- We will improve access to and increase participation in arts and culture by providing opportunities for citizens and visitors to experience a broad range of high quality arts and cultural activities.
- Working with our third, public and private sector partners, we will provide opportunities for lifelong learning which will develop knowledge, skills and attributes of our citizens to enable them to meet the changing demands of the 21<sup>st</sup> century.
- We will aim to have a workforce across the city which has the skills and knowledge to sustain, grow and diversify the cultural economy.
- We aspire to be recognised as a City of Culture, a place of excellence for culture and arts by promoting Aberdeen as a cultural centre hosting high quality and diverse cultural events for the whole community and beyond.
- We will embrace the distinctive pride the people of Aberdeen take in their city and work with them to enhance the sense of well-being here, building strong communities which look out for, and look after one another.

This report also relates to the Combined Community Plan and Single Outcome Agreement as follows:

- Protecting children and vulnerable adults
- People of all ages take an active part in their own learning to achieve their full potential Learning and training is appropriate and accessible to learner's needs
- Children and young people access positive learning environments and develop their skills, confidence and self esteem to the fullest potential
- Children, young people and their families/carers are involved in decisions that affect them. Their voices heard and they play an active and responsible role in their communities
- Educational attainment in Aberdeen is continuously sustained and improved
- School leavers enter positive destination of employment, training or further and higher education with a focus on and support for young people who require More Choices and More Chances
- Children and young people actively participate in their communities and have optimum involvement in decision making
- All children, young people and their families have access to high quality services when required and services provide timely, proportionate and appropriate response that meeting the needs of children and young people within Getting it Right for Every Child, (GIRFEC) requirements
- Improve the quality of life in our most deprived areas
- Citizens are increasingly more active in their communities regardless of age, gender, sexual orientation, ethnic origin, where they live, disability or faith/religion/belief and contribute to 'active citizenship'
- Develop pathways to participation which enhance the diversity of local representation at and engagement with regional, national and international arts, heritage and sporting events
- Our public services are consistently high quality, continually improving, efficient and responsive to local people's needs

Public - This report will be of interest to members of the affected Management Committees and may be of interest to the wider public as a result of the significant media coverage of the changes in community centres over the last couple of years.

## **7. MANAGEMENT OF RISK**

Consideration of risk management at community centres is an ongoing operational consideration.

## **8. BACKGROUND PAPERS**

31/5/13 Education, Culture and Sport Committee, Community Centres

22/11/12 Education, Culture and Sport Committee, Community Centres

20/9/12 Education, Culture and Sport Committee, Community Centres

6/7/12 Education, Culture and Sport Committee, Community Centres  
28/3/12 Special Education, Culture and Sport Committee, Community Centres  
23/2/12 Education, Culture & Sport Committee, Community Centres  
24/11/11 Education, Culture & Sport Committee, Community Development Fund – Childcare and Out of School Provision  
24/11/11 Education, Culture & Sport Committee, Community Centres  
15/9/11 Education, Culture & Sport Committee, Update on Implementation of Budget Decision - Reduce Communities Team  
17/6/11 Finance & Resources Committee, Kaimhill Community Facilities – Update on Progress of Management Agreement  
2/6/11 Education, Culture & Sport Committee, Update on Implementation of Budget Decision - Reduce Communities Team  
2/6/11 Education, Culture & Sport Committee, Lease Agreements for Voluntary Organisations Occupying Woodside Fountain Centre  
24/3/11 Education, Culture & Sport Committee, Implementation of Budget Decision – Reduce Communities Team

## **9. REPORT AUTHOR DETAILS**

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