

Carlisle City Council

Report to People Panel

Report details

Meeting Date:	24 th November 2022
Portfolio:	Communities, Health and Wellbeing
Key Decision:	No
Policy and Budget Framework	Yes/No
Public / Private	Public
Title:	COMMUNITY CENTRE SUSTAINABILITY – CURRENT AND POST LGR
Report of:	The Deputy Chief Executive
Report Number:	CS 36/22

Purpose / Summary:

To give the Panel an overview of the current Carlisle City Council revenue funding, additional support arrangements and lease arrangements of the Community Centres prior to the transfer of assets and support to the Cumberland Council 1st April 2023.

Recommendations:

It is recommended that the Scrutiny Panel review the information relating to the current arrangements and consider any risks and future opportunities for community centres.

Tracking

Executive:	
Scrutiny:	24.11.22
Council:	

1. Background

- a. Carlisle City Council owns the freehold interest in several community centres located across the city area and has leased these to local community associations for many years.
- b. The Council supports Community Centres with annual grant funding as part of wider support arrangements for third sector organisations.
- c. The Community Centres function as independent charities, each with their own Board of Trustees responsible for the operation of their Centre and for responding to the needs of their local communities.
- d. Collectively the Community Centres are supported and co-ordinated by the 'Carlisle & District Federation of Community Organisations'. This organisation also operates as an independent charity.
- e. Carlisle City Council's total annual revenue budgeted spend on Community Associations / Centres for 2022/23 is £404,300 (discounting internal re-charges). This is made up of:
 - £190,200- revenue grants to Community Centres
 - £9,000 – Federation of Community Organisations' Training grant
 - £155,800 – Building maintenance for the 8 Community Centres (and Longtown Community Centre for which a Charity Commissioners Scheme directs the ownership is to be vested in Carlisle City Council in trust for the association). This includes planned, reactive and building compliance work.

NB1. This maintenance figure does not include Downagate Community Centre which is on full repairing lease.

- £40,000 - Building insurances.
- £9,300 - Horticultural maintenance provided by Carlisle City Council to some Community Centres with grounds maintenance requirements.
- f. Carlisle City Council also carries out annual business plan and due diligence tests on Community Centre finances ahead of awarding any grants to ensure that the public money is awarded to bodies with strong financial health.
- g. Carlisle City Council also offer a range of in-kind and other support, including discretionary rate relief to the Community Associations as registered charities and payroll services. These provide considerable additional financial and administrative support.
- h. The Community Centres are an integral part of delivering health and wellbeing improvements to communities across the Carlisle district and are an important part of the City Council's approach to delivering this work.
- i. Carlisle City Council works with Community Centres on an annual grant agreement that links the Council priorities to the outcomes and outputs of the Community Centres which is then monitored on actual outputs.

2. Property related issues

a. As highlighted in section 1.1 above, the City Council owns several community centres that it lets on leases to local associations.

b. A brief summary of the community centres in the city area is set out below.

The table below outlines the lease end dates of the Community Centres that are funded through Carlisle City Council grants.

Community Centres owned by Carlisle City Council	Lease end dates (if applicable)
Belah	25 February 2039
Botcherby	6 August 2026
Currock	19 December 2116
Downagate	23 May 2047
Denton Holme	13 January 2029
Greystone	30 July 2026
Yewdale	15 August 2026
Morton	31 July 2026
Raffles	23 May 2046
Longtown	Freehold due to be vested in City Council / no lease currently in place
Community Centres not owned by Carlisle City Council	Brief Ownership Details
Brampton	Owned and operated by Brampton & Beyond Community Trust
Harraby	Freehold owned by Cumbria County Council
Petteril Bank	Freehold owned by Community Association

- c. Given the above and that several of the leases have lease termination events in 2026, Property Services undertook an initial brief assessment of the community centre portfolio in late 2021. More generally with commercial property leases, consideration would start to be given to how best to deal with lease terminations approximately 18 month / 2 years before the due date. In this case though, Property Services advised that given that this portfolio cuts across a range of services with funding implications beyond just the properties themselves a pro-active and approach should be adopted to assess the potential options at an early stage.
- d. Discussions were therefore undertaken with internal stakeholders, and it was agreed that in order to fully understand all aspects (property, legal, funding and community and local benefits) of the portfolio it would be best to

undertake a comprehensive asset review so that any future Council could make any future decisions based on a comprehensive package of information including the likely financial costs of any option that may be adopted in the future.

- e. Executive members were consulted on this approach in February 2022; it is important to note that the asset review is intended to provide an informed and wide-ranging view of each community centre asset and the future use / operational options available.
- f. The asset review will require a range of consultations to be undertaken along with various workstreams including where appropriate the commissioning of specialist services and surveys and the analysis of significant amounts of data and other information. Users of the various centres will also be asked to input to the review so that their views can be captured and considered. For this reason, this piece of work will take between 9 & 12 months to complete subject to adequate resources being available. Unfortunately, given the need to focus resources on work related to the ongoing local government reorganisation over the last year and the significant difficulties in recruiting experienced team members to the Property Services progress to date has been limited. However additional temporary resource is starting imminently so it is expected that good progress will start to be made on this asset review so that a report can be brought to the Executive of Cumberland Council later in 2023.

3. Local Government Reorganisation (LGR)

- a. Local Government Reorganisation is currently taking place across all authorities in Cumbria. From April 2023 two new unitary authorities will manage all council functions and the existing seven sovereign authorities will cease to exist.
- b. Carlisle City Council services and property assets will transfer to the new Cumberland authority.
- c. As part of the LGR process the existing arrangements with community centres from a property, lease, legal and grant perspective have been fed into the relevant LGR workstreams. These workstreams were set up to ensure all work from the existing sovereign councils was put forward to inform the new financial, operational and structural arrangements. The priorities for Cumberland are set out in the Cumberland Plan.
- d. The development of a first budget for Cumberland Council will (in part) use the existing Medium Term Financial Plans of the sovereign councils along with known budget pressures and savings required to form the budget for 2023/24. This process is ongoing and is due to be completed for February/March 2023. These arrangements will set the Community Centre budgets for 2023/24
- e. Existing leases and legal agreements for the sovereign Councils will novate on the 1st April 2023 to the respective new unitary Councils. This will ensure that existing

- Community Centre leases and any other legal arrangements are not fettered by the transfer of assets to the new authority.
- f. Many of the Community Centres have trustees on their boards from the existing local authorities (Carlisle City Council and Cumbria County Council). This is a legacy from previous Service Level Agreements, however under the existing grant arrangements there is no requirement to have local trustees on the board. Therefore, there is no requirement to change trustees or invite Cumberland Councillors to become trustees for Community Centres in Carlisle. Any such change to the trustee boards will remain a matter for each Community Centre board to consider.

4. Conclusion and reasons for recommendations

- a. It is recommended that the Scrutiny panel review the information relating to the current arrangements and consider any risks and future opportunities for community centres.

5. Contribution to the Carlisle Plan Priorities

- a. We will continue to prioritise the current response to and rapid recovery from the health and wellbeing impacts of Covid 19 pandemic.
- b. We will work with our partners in the public, health, private and voluntary sectors to deliver a broad programme that will support the good, lifelong health and wellbeing of our residents and visitors.

Contact details:

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Appendices attached to report:

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Note: in compliance with section 100d of the Local Government Act 1972 the report has been prepared in part from the following papers:

Corporate Implications:

Legal –

Repair – a lease sets out the liabilities that the parties accept and where the council retains a repairing responsibility the council has a contractual duty to keep the property in good repair and condition. This can be onerous as repairs can be extensive. The longer the term of the lease the longer the commitment the council has to cover repair costs.

Disposal - For any future grants of Leases to the community centres the Council has a power and duty under Section 123 of the Local Government Act 1972, and may dispose of

land held by it in any manner it wishes, save that it shall not dispose of land otherwise than by way of a short tenancy, for a consideration less than the best that can be reasonably obtained unless specific consent of the Secretary of State is obtained.

The relevant Government Circular guidance on the matter (General Disposal Consent (England) 2003) sets out that it is Government policy that Local Authorities do not require specific consent for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area. Where applicable, authorities should also have regard to their community strategy. It will be for the authority to decide whether these decisions taken comply with any other relevant governing legislation. In all cases, disposal at less than best consideration is subject to the condition that the undervalue does not exceed £2,000,000 (two million pounds).

LGR - The existing leases will automatically transfer to Cumberland Council. This will occur by operation of law, using the provisions in s16 of the Local Government and Public Involvement in Health Act 2007. There will be no change to the terms of the leases and there is nothing for Carlisle City Council or the Tenants to do.

Property Services – Property implications are included in the main body of the report. In summary these are that several community centre leases are due to expire in the next 4 years with others in later years. These lease events provide a good opportunity to undertake a wide-ranging asset review. The data and information obtained through this review will then be used to assess and provide recommendations on the potential future management and operation options for each community centre. The wider and potential service cross-cutting opportunities offered by local government re-organisation will also be explored. This approach will help to ensure that going forward the community centre assets are managed in consistent and sustainable way for all parties whilst delivering the maximum benefits for their local communities.

Finance – The report sets out the recurring financial resources available to the Council to support the Community Centres, as set out at paragraph 1.5. Any financial support after 1st April 2023 will be a decision of the new Cumberland Council.

Equality -
Information Governance-