

# Finance and Resources Committee

10.00am, Thursday 5 March 2020

## Community Centres - Condition Review and Corstorphine Community Centre

Executive/routine  
Wards  
Council Commitments

Executive  
All

### 1. Recommendations

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1.1 That the Committee:

- 1.1.1 Notes the current asset condition status of the Council's community centres;
- 1.1.2 Notes the currently unfunded capital investment required to bring the Council's Community Centre Buildings to a condition 'A' (good condition) standard is estimated to be £13.6m;
- 1.1.3 Notes that Council officers have reviewed the potential for a "hub" in Corstorphine and considers that neither option of relocating the existing Corstorphine Library into the new Corstorphine Community Centre or the Library to the Community Centre site are viable; and,
- 1.1.4 Notes the request from the Corstorphine Community Centre SCIO that the Council commit to taking no action to dispose of Westfield House until the SCIO has determined whether it could feasibly acquire it via a Community Asset Transfer.

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# Report

## Community Centres - Condition Review and Corstorphine Community Centre

### 2. Executive Summary

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- 2.1 This report provides an update on the current asset condition of the Council's community centres and the estimated costs it would take to bring them to a good condition.
- 2.2 It also provides an update on a request from Committee for Communities and Families officers to investigate the potential of creating a community hub in Corstorphine as part of wider discussions around supporting the development of the new Corstorphine Community Centre.

### 3. Background

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#### **Council Community Centres**

- 3.1 The focus of the current five-year asset management works (AMW) programme has principally been on the school estate and the current position on progress is provided in a separate report on this agenda.
- 3.2 The historical programme of AMW could only address priority issues across the estate due to budget limitations. In practice, this meant that investment in community centre buildings has been extremely limited for a substantial period of time with only health and safety critical or 'wind-and-watertight' works carried out mainly via the revenue-based repairs and maintenance budget.
- 3.3 This reduced investment has meant that the condition of the community centres, in particular the external building fabric and the major mechanical and electrical (M&E) elements, has continued to deteriorate over the years. There are a few exceptions where third-party tenants have upgraded elements of the building, under the terms of the lease, although the majority of these works have been restricted to the community centre interiors.
- 3.4 The current condition of community centres represents an increasing health and safety risk to the Council, as their condition will continue to degrade given the previous low levels of capital investment.

- 3.5 The Council is currently undertaking an exercise to identify and assess the risks associated with unregulated occupation by external parties in the Council's operational estate, and community centres are within the scope of that exercise. This highlights the main risk whereby, in the main, the Council is responsible for repairs and maintenance, yet occupation is regulated by the management committee to whom the asset is leased to.
- 3.6 On 6 December 2019, the Finance and Resources Committee noted that approximately £13m of capital works was required, over a period of time, to bring the community centres up to a good condition but that there was no budget available to achieve this within the capital investment programme until financial year 2022/23 at the earliest. There was therefore a risk that some centres may be required to close, due to their condition, in the intervening period. The Committee therefore requested a status update on these issues.

### **Corstorphine Community Centre**

- 3.7 On [6 December 2019](#), the Finance and Resources Committee was advised that there was no Council funding available to fund the development of the Centre either in the current financial year or in the capital budget strategy 2020-30, meaning the Council was unable to fund the project unless it were to divert budget from other projects. This remains the case.

The Finance and Resources Committee agreed the following actions:

- 3.7.1 To note that the estimated costs of delivering the Corstorphine Community Centre were now £2.264m, with a funding gap of £886,000, of which £750,000 was sought from the City of Edinburgh Council.
- 3.7.2 To note that no funds were currently identified in the 2019/20 financial year for the Corstorphine Community Centre and that there was currently no provision for this project in the capital budget strategy for 2020-2030, meaning that the Council could not fund the project unless it were to divert budget from other projects.
- 3.7.3 To note that the Albion Trust had advised the Council that it would not proceed with the redemption of the preference shares in Albion Equity Limited and as such this funding source would not be available for this, or any other project.
- 3.7.4 To note that the Council's strategy for capital expenditure was agreed through the budget setting process due to be reported to Council in February 2020
- 3.7.5 To instruct Communities and Families officers to consult with the Corstorphine community on a hub model for the Community Centre for inclusion in a wider review of the Community Centre Asset Management Strategy to come forward to Finance and Resources Committee in March 2020.

3.7.6 To issue a letter of comfort to the Community Centre on the Council's commitment to exploring solutions to the Corstorphine Community Centre project following the consultation.

3.8 This report updates Committee on the two final actions.

## 4. Main Report

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### Council Community Centres

4.1 The Council has 39 community centre buildings, although not all of them are presently operational and some are under lease agreements with external third parties.

4.2 The Council uses '*Condition Ratings*' on a scale of A to D to assess the condition of the Council's operational assets. The ratings align with the Scottish Government's recommended condition classification methodology 'Core Facts' that was devised for the school estate. The definitions for each of the condition ratings are described in Figure 1. These condition ratings are used by the Council as part of a risk-based approach for future capital planning and investment decision-making. Capital investments are targeted at those buildings/properties with the lowest condition scoring and which present the highest risk to the Council. Appendix 1 illustrates photographic examples of the Council's community centres with a mixture of condition A, B, C & D ratings.

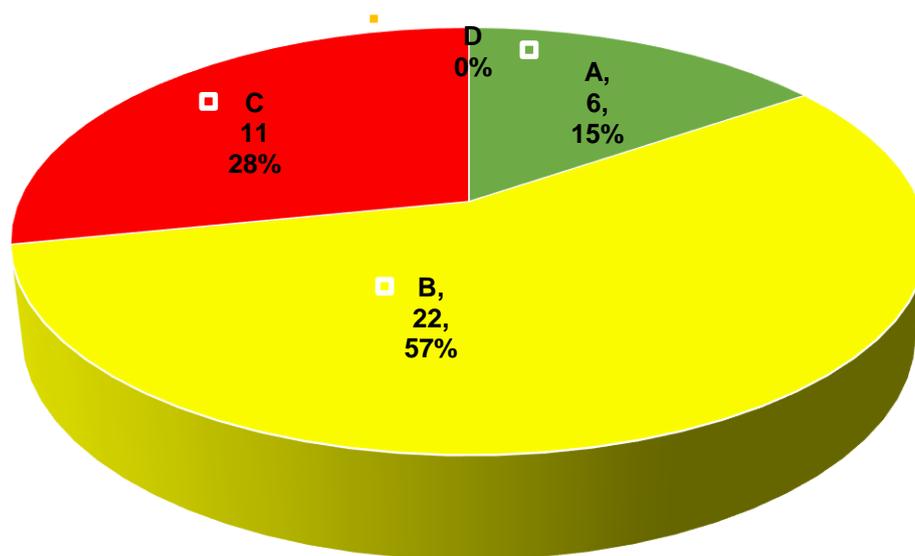
**Figure 1- Condition Ratings and Definitions used by the Council**

Condition Rating and Percentage Scoring	Condition Definition
<b>A (&gt;85 – 100)</b>	<b>Good-</b> performing well and operating efficiently
<b>B (&gt;60; ≤85)</b>	<b>Satisfactory-</b> performing adequately but showing minor deterioration
<b>C (≥40; ≤60)</b>	<b>Poor-</b> showing major defects and/or not operating adequately
<b>D (&lt;40)</b>	<b>Bad-</b> economic life expired and/or risk of failure

4.3 The condition of the community centres, and their lease status, is summarised in Appendix 2. This summary includes the overall condition rating and condition score for each community centre as well as the individual major building elements condition ratings. The costs required to bring each building element to a good condition is also indicated.

4.4 The breakdown of condition ratings (on a building level) is indicated in Figure 2.

**Figure 2- Condition Ratings Split for the Council’s Community Centres**



4.5 The total estimated cost to bring and maintain every major community centre building element to a good condition or A rating is estimated at £13.6m. The breakdown of each building element is summarised in Figure 3.

**Figure 3- Summary of Elemental Breakdown of Upgrade Costs**

Element Condition Category	Cost to bring Major Elements in each Community Centre to Condition ‘A’- Good (£)
Condition A (Good)	257,556*
Condition B (Satisfactory)	3,332,906
Condition C (Poor)	8,361,915
Condition D (Bad)	1,686,998
<b>Total</b>	<b>13,639,375</b>

\* These can be considered as Preventative Costs to maintain the building elements in Condition ‘A’- Good condition

4.6 There are precedents for community centres closing due to poor condition and its unacceptable level of risk, for example Duncan Place closed in 2015 (subject to a separate report on this agenda) and Gracemount Community Centre closed in 2018/19.

4.7 Based on an analysis of the community centres condition alone, the ‘Top 12’ community centres requiring spend are indicated in Figure 4. Spend focuses on mechanical and electrical services upgrade, and the external fabric such as roofs, walls and windows.

**Figure 4- Community Centres prioritised for Capital Interventions based on their Condition Ratings**

Community Centres prioritised for Capital Interventions (in order of recommended priority)	Community Centre
1	Gracemount Community Centre
2	Southbridge Resource Centre
3	Inch House Community Centre
4	St. Brides
5	Castleview Community Centre
6	Roseberry Hall
7	Craigentenny Community Centre
8	Northfield Community Centre
9	Magdalene Community Centre
10	Pentland Community Centre
11	Portobello Community Centre
12	Clermiston (Munro Centre)

### **Corstorphine Community Hub**

- 4.8 Communities and Families officers have assessed the scope for a “hub” model for the Centre. Internal discussions identified the only significant opportunity in the Corstorphine area as being to co-locate the Centre and the Corstorphine Library on a single site. Two options have been considered: co-locating the services on the Library site at 12 Kirk Loan and co-locating the services on the SCIO’s site at 14 Kirk Loan.
- 4.9 It is not considered that co-locating the services to 12 Kirk Loan is feasible. As the existing Library is a listed building, any development would need to accommodate it which would be highly technically challenging as it sterilises a significant part of the site. The Library service would need to decant during works which would add costs and complexity. The existing Library is not well suited to the contemporary needs of a library service and so would be compromised. Additionally, the Centre at 14 Kirk Loan has already been designed and has planning permission, whereas creating a new hub at 12 Kirk Loan would mean starting afresh, which would add significant time and costs. Overall, it is not considered that this option should be pursued further.
- 4.10 The proposal to locate the library service within the new Centre on the SCIO’s site is also considered unviable. The principal issue is that both functions could not be accommodated without considerable compromise to the services provided. It would be important for the library to have a ground floor, ‘street presence’, but this would displace a significant element of the community centre footprint, most notably the principal community hall. The nature of the library function requires a large open plan space, rather than subdivided smaller spaces. Shared use of spaces was considered but for the community centre to generate sufficient revenue to be

financially sustainable, sufficient space could not be provided for the library at the times needed to support the current pattern of library opening hours.

- 4.11 The SCIO has advised the Council that, if it is unable to secure funding for the Council to deliver the Community Centre on its site at 14 Kirk Loan, it would consider the acquisition of Westfield House, a Council-owned office building at 5 Kirk Loan, via a Community Asset Transfer.
- 4.12 Westfield House comprises a three storey office block extending to 1,442 sq m. It was originally leased by the Council for a period of 25 years at £225,000 per annum. On 16 March 2010, the Finance and Resources Committee approved a business case to purchase the asset for a gross price of £3.01m, which allowed the budget for the passing rent to be transferred to cover the prudential borrowing repayment costs. The current outstanding debt over the property is £2.067m. As part of the Council Asset Management Strategy, it is proposed that Westfield House will be vacated by Spring 2020.
- 4.13 The SCIO has suggested that Corstorphine Library could also relocate into Westfield House via a Hub model. There is a statutory process to be followed for a Community Asset Transfer (CAT). The SCIO has requested that the Council commit to not taking any action to dispose of Westfield House until it has determined whether it could be feasible to acquire the asset.
- 4.14 It is recognised that the SCIO has concerns about timescales due to construction inflation, the risk that it may lose grant funding already secured, and the expectation that it will need to vacate its existing temporary premises in approximately two years' time. As with all community asset transfer requests, officers will seek to assist the SCIO, but it is noted that any decision to relocate the library service would need to be supported by a feasibility study and by community consultation which will inevitably take some time.

## 5. Next Steps and Challenges

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### Council Community Centres

- 5.1 Should there continue to be limited investment in the Council's community centres, the risk profile for community centres will increase with each passing year where there is no investment. There will come a time when the risk becomes unsustainable and a decision will need to be made on the asset risk with one of the following options:
1. **Tolerate** the asset risk, accept the community centre condition risk and allow the status quo to continue;
  2. **Transfer** the risk, i.e. by transferring the community centre to a third party via lease, Community Asset Transfer (CAT) or commercial sale of the asset;
  3. **Treat** the risk- through both revenue and capital investments; or

4. **Terminate** the risk, such as closing or disposal of the community centres which present the biggest risk to the Council.

### **Corstorphine Community Hub**

- 5.2 Should the SCIO wish instead to proceed with a bid for a CAT of Westfield House, this would be processed in line with the statutory process.

## **6. Financial Impact and Risks**

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- 6.1 In the past two years, £1.3m was spent on safety critical 'wind-and-watertight' works capital spend for community centres. Due to the acceleration of capital works to schools in the first two years of the five-year AMW Programme, and with the 2020/21 AMW Programme capital funding has already been fully allocated to other priority projects such as schools condition improvement works, there is currently no capital investment budget set aside for community centres, until at least financial year 2022/23. This has been acknowledged in the Council's Capital Strategy 2020 – 2030 where the estimated investment appears as an unfunded capital pressure.
- 6.2 The lack of capital investment will increase the risk profile for community centres, until such time the risk becomes unsustainable and closure of some community centres will be necessary to mitigate health and safety risk.
- 6.3 The financial impact of a CAT for Westfield House will have to be considered on its own merits as part of the CAT process. The Council's expectation is that it receives market value for the asset.

## **7. Stakeholder/Community Impact**

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- 7.1 The Council's community centres are used by multiple stakeholders and local community groups. Poor condition of the Council's operational estate is currently one of the Council's top risks and capital investment and interventions will help to reduce the risk associated with community centre buildings.
- 7.2 Besides the improvements in condition, any capital investments in community centres will lead to other associated benefits which will ultimately benefit affected stakeholders and local communities, such as:
  - Improved environment and ambience for community centre users and Council staff;
  - Improved asset resilience and future proofing of community centres;
  - Reduction in health and safety incidents;
  - Reduction in risk of unplanned closures of community centres; and
  - Improved operating and thermal efficiency, thereby reducing the Council's running costs and carbon footprint.

- 7.3 Should additional capital funding be allocated to community centres, the capital works would be planned and delivered under the AMW Programme. The main impact on the stakeholders and the community would be the disruption to the community centre operations during the works delivery phase. To ensure the works are delivered in a safe manner and that community centre disruptions are kept to a minimum, there would be active dialogue with the affected community centre's management group and its local community. The worse cases scenario is that the works may require partial closure of the centre or the temporary displacement of community user groups to alternative venues.
- 7.4 There is also an on-going project being undertaken by the Operational Estates Team to establish appropriate legal agreements governing third-party occupation of the Council's community centres with a status report submitted to the 10 October 2019 Finances and Resources Committee.
- 7.5 The Committee had requested that officers consult with the Corstorphine community on the hub model. In the time available, it has not been possible to undertake a full community consultation, but officers have engaged with the SCIO, which has itself carried out significant community consultation. Should the SCIO pursue a CAT of Westfield House , wider consultation would be carried out as part of the process.

## **8. Background Reading/External References**

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- 8.1 Please refer to:

[Item 7.15- Asset Management Works Programme- 2018/19 Update \(23 May 2019 Finances and Resources Committee paper\)](#)

## **9. Appendices**

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- 9.1 Appendix 1: Photographs of Community Centres in each Condition Category (Categories A, B, C & D)
- 9.2 Appendix 2: Council Community Centres Condition and Status Summary Table

## Appendix 1- Photographs of Community Centres in each Condition Category

Example of a Condition 'A' (Good) Community Centre (Overall Building Level)- Tollcross Community Centre



Example of a Condition 'A' (Good) Community Centre (Overall Building Level)- Valley Park Community Centre



**Example of a Condition 'A' (Good) Community Centre Toilet (Building Element Level)-  
Royston/Wardieburn Community Centre**



**Example of a Condition 'B' (Satisfactory) Community Centre (Overall Building Level)-  
Craigentiny Community Centre**



**Example of a Condition 'B' (Satisfactory) Community Centre (Overall Building Level)- Nelson Hall Community Centre**



**Example of a Condition 'C' (Poor) Community Centre (Overall Building Level)- Inch House Community Centre**



**Example of a Condition 'D' (Bad) Community Centre Toilet (Building Element Level)- Castleview Community Centre**



**Example of a Condition 'D' (Bad) Community Centre External Wall (Building Element Level)- Clovenstone Community Centre**



## Appendix 2- Council Community Centres Condition and Status Summary Table

Property	Lease status	Approx Building Area- GIA	Condition Rating (& % Score)	Roofs	Floors & stairs	Ceilings	External Walls/Doors & Windows	Internal Walls/doors	Sanitary	Mechanical Services	Electrical	Décor	Fixtures & Fittings	External Grounds	Total Estimated Cost
Balerno CC	LEASED	238	B (72)	£6,964.86	£17,947	£1,470	£50,239	£3,829	£14,551	£0	£11,456	£27,434	£18,127	£2,450	£154,468
Bingham CC.	NO LEASE	404	B (70)	£76,579	£6,361	£0	£14,536	£1,087	£23,855	£1,908	£63,935	£17,574	£0	£23,855	£229,689
Braidwood Centre	NO LEASE	291	B (81)	£4,899	£26,128	£1,633	£52,910	£3,592	£24,495	£0	£6,571	£44,909	£5,715	£13,392	£184,244
Cameron House	LEASED	1190	A (92)	£25,923	£0	£0	£18,450	£3,180	£0	£1,591	£1,812	£0	£0	£2,286	£53,242
Carrickvale CC	LEASED	1034	B (83)	£477	£2,544	£2,704	£7,443	£2,337	£2,943	£123,735	£2,869	£43,423	£14,280	£7,157	£209,912
Castle view CC	LEASED IN	966	C (55)	£80,000	£37,168	£54,870	£63,657	£41,987	£31,927	£101,469	£119,700	£42,154	£23,857	£20,302	£617,092
Clermiston (Munro Centre)	NO LEASE	267	C (43)	£52,769	£52,005	£47,712	£68,816	£3,863	£3,865	£10,450	£116,368	£14,858	£0	£0	£370,706
Clovenstone CC	LEASED	377	C (58)	£216	£0	£21,185	£49,363	£8,350	£10,814	£85,883	£19,318	£14,314	£23,857	£6,300	£239,598
Clovenstone CC (Boxing Club)	LEASED -SUB LET	265	C (52)	£55,028	£0	£22,902	£17,337	£5,009	£15,904	£17,494	£0	£19,019	£2,862	£4,725	£160,279
Colinton Mains CC	LEASED	139	B (85)	£27,259	£0	£0	£20,707	£0	£0	£0	£483	£0	£0	£8,206	£56,655
Craigentiny CC	LEASED	1610	B (69)	£205,275	£0	£4,057	£4,057	£0	£4,057	£150,293	£105,832	£23,855	£0	£64,004	£561,430
Fort CC	NO LEASE	100	B (67)	£1,142	£8,165	£244	£0	£327	£816	£39,486	£16,688	£1,907	£924	£101,153	£170,851
Gate 55	NO LEASE	1797	B (62)	£5,409	£14,876	£25,695	£33,134	£7,438	£0	£410,453	£104,093	£21,638	£0	£13,524	£636,260
Gilmerton CC	LEASED	1061	B (79)	£13,356	£55,545	£7,952	£176,357	£5,112	£2,386	£9,541	£16,099	£26,506	£1,591	£48,213	£362,657
Gilmerton CC (Society Hall)	LEASED	235	A (93)	£4,403	£1,842	£239	£4,144	£2,405	£11,381	£3,976	£0	£8,016	£14,314	£477	£51,196
Gorgie War Memorial Hall	LEASED	298	A (95)	£0	£0	£0	£2,943	£317	£28,627	£0	£28,682	£0	£0	£9,542	£70,112
Gracemount CC	CLOSED	819	C (41)	£166,867	£134,740	£175,384	£241,347	£170,207	£133,596	£102,582	£87,021	£108,149	£61,887	£309,463	£1,691,242
Hillwood CC (Norwood)	CEC Managed	527	B (79)	£0	£26,306	£0	£1,066	£56	£3,020	£0	£814	£19,546	£2,624	£17,637	£71,067
Inch House CC	LEASED	1845	C (57)	£57,232	£10,337	£106,100	£134,392	£54,110	£21,371	£229,021	£261,088	£48,726	£0	£12,293	£934,670
Jack Kane CC	LEASED	1011	B (81)	£0	£15,745	£0	£6,200	£1,857	£2,225	£55,059	£0	£24,555	£317	£6,948	£112,907
Juniper Green CC	LEASED	422	C (57)	£95,425	£36,580	£795	£109,739	£11,133	£10,337	£0	£12,724	£14,314	£2,863	£15,110	£309,019
Kirkliston CC	NO LEASE	815	B (66)	£97,003	£1,591	£24,343	£12,075	£0	£0	£96,856	£6,628	£7,245	£8,453	£36,104	£290,298
Leith CC	LEASED	1679	B (79)	£32,922	£49,796	£12,724	£19,085	£5,272	£6,917	£135,026	£3,276	£1,621	£0	£0	£266,639
Magdalene CC	NO LEASE	219	B (60)	£107,353	£31,967	£76,339	£2,147	£6,679	£23,855	£0	£42,667	£24,969	£0	£89,859	£405,836
Moredun CC	LEASED	146	C (59)	£36,906	£4,899	£16,331	£34,293	£17,962	£24,495	£11,758	£21,000	£6,533	£4,899	£65,321	£244,398
Nelson Hall	NO LEASE	781	B (75)	£23,597	£8,165	£4,082	£3,021	£5,111	£0	£327	£1,633	£20,478	£228	£33,231	£99,873
Northfield CC	LEASED	729	C (57)	£9,169	£41,033	£42,941	£49,461	£4,867	£38,171	£120,077	£8,111	£55,665	£35,784	£19,986	£425,264
Pentland CC	LEASED	873	B (64)	£3,500	£18,274	£6,585	£62,185	£5,169	£0	£240,154	£48,421	£5,287	£11,928	£1,282	£402,784
Portobello CC	LEASED	597	B (79)	£36,195	£46,174	£32,998	£48,107	£62,185	£33,844	£102,582	£0	£0	£0	£18,703	£380,787
Rannoch CC	LEASED	407	B (70)	£104,094	£3,657	£4,453	£11,928	£7,332	£31,808	£7,953	£14,314	£44,532	£15,110	£28,102	£273,281
Roseberry Hall	NO LEASE	922	C (60)	£178,897	£41,642	£33,313	£101,656	£26,210	£48,991	£27,925	£121,268	£20,666	£0	£6,327	£606,895
Royston/Wardieburn CC	LEASED	1130	A (87)	£3,576	£9,798	£441	£6,712	£1,633	£163	£0	£816	£51,020	£33	£12,068	£86,258
Southbridge Resource Centre	NO LEASE	2075	C (52)	£46,297	£86,142	£61,481	£67,692	£18,998	£242,935	£372,329	£295,087	£105,180	£36,743	£145,486	£1,478,368
Southside CC	LEASED	1012	B (83)	£160	£15,491	£1,591	£3,976	£1,431	£0	£8,048	£139,642	£46,023	£0	£2,370	£218,731
South Queensferry CC	LEASED	205	B (69)	£5,105	£32,285	£22,255	£460	£19,688	£26,250	£2,784	£734	£12,373	£0	£0	£121,933
St. Brides	LEASED	1063	B (60)	£10,847	£31,650	£31,808	£17,177	£48,985	£38,170	£447,901	£120,522	£39,760	£23,855	£15,268	£825,941
Tollcross CC	NO LEASE	411	A (86)	£0	£9,144	£0	£8,461	£113	£0	£715	£785	£11,663	£0	£4,200	£35,083
Valley Park CC	LEASED	1141	A (86)	£3,180	£4,136	£437	£5,804	£405	£0	£6,361	£0	£32,464	£4,055	£597	£57,440
Wardie Residents Club	LEASED	433	B (70)	£15,110	£0	£0	£105,224	£0	£47,713	£4,226	£0	£0	£0	£0	£172,272
<b>Total</b>		<b>29877</b>		<b>£1,593,134</b>	<b>£882,133</b>	<b>£845,061</b>	<b>£1,636,300</b>	<b>£558,237</b>	<b>£909,481</b>	<b>£2,927,960</b>	<b>£1,800,452</b>	<b>£1,006,373</b>	<b>£314,305</b>	<b>£1,165,939</b>	<b>£13,639,375</b>