

Finance and Resources Committee

10.00am, Thursday, 9 December 2021

Balerno Community Centre, 7-11 Main Street, Balerno – Proposed Lease

Executive/routine	Routine
Wards	Ward 2 - Pentland Hills
Council Commitments	2

1. Recommendations

- 1.1 It is recommended that the Finance and Resources Committee approves the lease of Balerno Community Centre to the Balerno Village Trust (BVT) on the terms outlined in this report and other terms and conditions to be agreed by the Executive Director of Place.

Paul Lawrence

Executive Director of Place

Contact: Amanda Fraser, Estates Surveyor

E-mail: amanda.fraser@edinburgh.gov.uk | Tel: 0131 529 5931

Report

Balerno Community Centre, 7-11 Main Street, Balerno – Proposed Lease

2. Executive Summary

- 2.1 The existing Balerno community centre management committee are seeking to merge with Balerno Village Trust (BVT) and enter a new lease to enable them to access grant funding for energy efficiency improvements to the building. This report seeks approval for the terms and conditions for a new lease.

3. Background

- 3.1 There are 35 Council owned community centres in Edinburgh, the majority of which are leased out to management committees. In the main, these centres have associated building running costs met by the Council.
- 3.2 Balerno Community Centre, shown in red on the attached plan, is currently leased to the Balerno Community Centre Organisation (BCCO) on standard community centre lease terms. The Council pays all costs including utilities, building insurance, repairs and maintenance and cleaning at an approximate cost of £22,000 p a.
- 3.3 Pre-Covid, Balerno Community Centre was primarily used by a private nursery and commercial dance school. The owners and staff of the nursery formed a large proportion of BCCO membership. The nursery has now closed and the existing BCCO is under revised membership with the building reopened as a community centre with the remaining members of BCCO receiving support from BVT.
- 3.4 The centre is currently underutilised and under promoted. BVT, following discussions with BCCO and the Council, wish to enter into a new lease for the building. BVT's goal is to substantially increase both community activity and income from existing and new bookings, with a view to becoming self-sufficient and eventually leading to securing a future Community Asset Transfer.
- 3.5 BVT are a development trust that serves the Balerno area and are a company limited by guarantee (SC369378) with charitable status (SC043318). Their aim is to improve and regenerate the physical, social, cultural and economic life of the community and advance community development, by encouraging the active participation by individuals and groups.

4. Main report

- 4.1 BVT has applied to the Scottish Government's Community and Renewable Energy Scheme (CARES). If successful, BVT would receive a funding grant/loan to install renewable energy systems within the building amounting to approximately £53,760. BVT would be required to pay a proportion of the funding back, approximately £27,764 over an eight year period, through savings made on the electricity costs which are estimated to be £3,100 per annum. As the Council will continue to pay the utility costs, it will benefit from this cost saving.
- 4.2 In order for BVT to meet the CARES requirements for the grant, they are seeking a minimum lease term of 10 years.
- 4.3 Based on BVT's business plan, the community centre cannot yet be financially self-sufficient without Council support with the running costs. By continuing this investment, the Council will be giving BVT the opportunity to work toward community empowerment through Community Asset Transfer legislation.
- 4.4 Following discussions with the BVT, the following terms have been provisionally agreed:
 - 4.1.1 Subjects: Balerno Community Centre, 7-11 Main Street, Balerno;
 - 4.1.2 Lease term: 10 years;
 - 4.1.3 Break Option: tenant only at Year 3 and Year 6;
 - 4.1.4 Rent: £1 if asked;
 - 4.1.5 Repairs: The Council will be responsible for keeping the property wind and watertight;
 - 4.1.6 Utilities and Cleaning: as per existing arrangements;
 - 4.1.7 Condition: granting of the lease, is subject to BVT obtaining the CARES grant for building energy improvements and implementing them;
 - 4.1.8 Other conditions: as contained in the existing lease;
 - 4.1.9 Council Access: BVT will continue to allow free Council use of the property when required;
 - 4.1.10 Rates: BVT will be responsible for all non-domestic rates payments;
 - 4.1.11 Costs: BVT will pay the Council's costs and fees associated with the lease; and
 - 4.1.12 Existing lease: BCCO will grant a renunciation of the existing lease.

5. Next Steps

- 5.1 Subject to Committee approval, the Council will enter into a new lease with BVT in accordance with the terms and conditions within this report, conditional on CARES funding being received.

6. Financial impact

- 6.1 The Council's expenditure on the building will reduce through savings in running costs achieved through the CARES funded works once these are completed.

7. Stakeholder/Community Impact

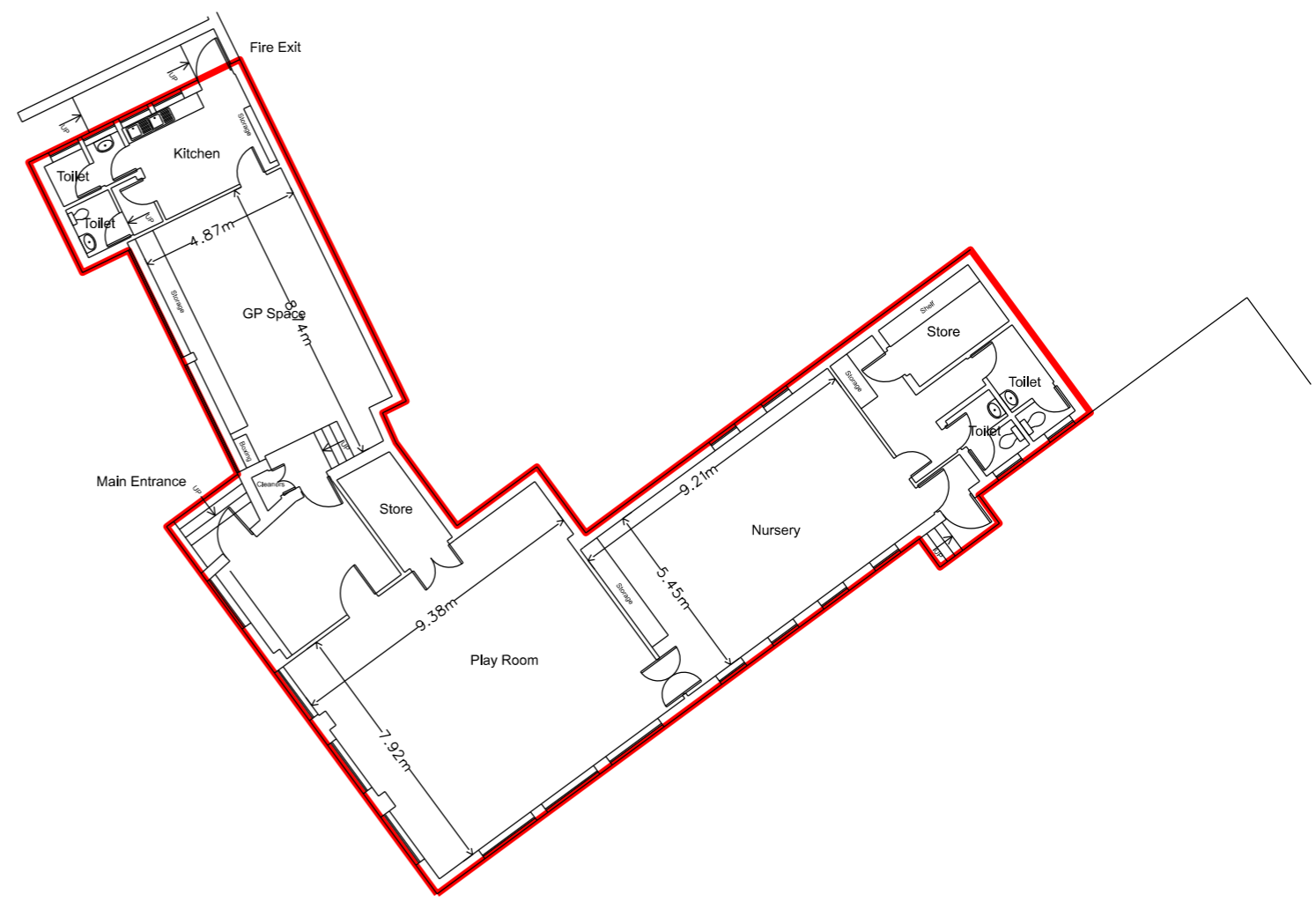
- 7.1 Council officers have engaged with both BCCO and BVT on this proposal. BVT intend to commence community engagement on the community needs from the centre once a decision is made on the new lease.
- 7.2 Ward members have been made aware of the recommendations of the report.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Location Plan.



LOCATION PLAN

SCALE 1:1250

SITE PLAN

SCALE 1:200

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PROPERTY AND FACILITIES MANAGEMENT PLACE DIRECTORATE	
BALERNO COMMUNITY CENTRE 11 MAIN STREET BALERNO	
DATE	15/10/2021
SURVEYED BY	
DRAWN BY	Info from ELF drawing
SCALE	Plan to scale at A3
PLAN. NO.	A4/148

AREA SHOWN DELINEATED RED - 0.028 ha (0.069 Acre), or thereby