

Finance and Resources Committee

10.00am, Thursday 10 October 2019

Community Centre Leases

Item number	
Executive/routine	Executive
Wards	All
Council Commitments	35

1. Recommendations

1.1 That Committee:

- 1.1.1 Approve the principle of implementing modern leases on standard terms for all community centres with management committees;
- 1.1.2 Approve consultation with the management committees on the draft standard lease terms appended to this report.

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Executive Director of Resources

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Report

Community Centre Leases

2. Executive Summary

- 2.1 The leases for community centres date to the mid-1990s and require modernisation. This report seeks approval to the principle of modernising the leases on standard terms for all the community centres and proposes consultation with centre management committees in this regard.

3. Background

- 3.1 Many of the Council's 40 community centres are leased out to management committees who work in partnership with Lifelong Learning in Communities and Families and Business Support in Resources to deliver a programme of activities. As well as providing a team to resource the delivery of activities, one of the key benefits of this arrangement is that the management committees receive 100% relief on non-domestic rates due to their charitable status. The majority of the current leases date back to 1994 and require modernisation, particularly in relation to the items such as the insurance clause, sub-leasing provisions and Council use of the facilities.
- 3.2 Since the leases were put in place, anomalous and/or informal situations have arisen in some centres and it is proposed that these will require proper governance as part of lease renewal process.

4. Main report

- 4.1 Following the meeting of the Finance and Resources Committee, on 15 August 2019, a workshop was held with the Committee members to discuss community centre leases. As an outcome of that discussion, members supported a report being brought forward for formal consideration, recommending that the existing leases be modernised and standardised and that the management committees be consulted on the proposed terms of the leases. It is proposed that the consultation will form a combination of offering 121 meetings and group discussions.
- 4.2 Appendix 1 contains the proposed draft standard terms for the committee's consideration.

- 4.3 Some of the community centres concerned have use that is more commercial in nature. Where this is the case, it may be appropriate to seek a contribution from the management committee towards the running costs of the building, rather than the Council providing a full subsidy. The principle of this will form part of the consultation and the next committee report will include more detail on how this could work in practice.

5. Next Steps

- 5.1 If committee approves the recommendation of this report, consultation on the draft standard lease terms will be carried out including all the management committees with a further report brought to committee on the outcome of the consultation.

6. Financial impact

- 6.1 Under new leases, the lease obligations will be clearer and that will help avoid uncertainty over costs.
- 6.2 The management committees will be responsible for the payment of the Council's reasonable legal and property fees in preparing the new leases.

7. Stakeholder/Community Impact

- 7.1 Further information on this will be provided once the consultation mentioned above is completed.

8. Background reading/external references

- 8.1 None.

9. Appendices

- 9.1 Appendix 1 – Proposed standard lease Heads of Terms

Appendix 1 - Proposed Standard Lease Terms for Community Centres

1.	Property Address	Insert address for centre
2.	Landlord	The City of Edinburgh Council (CEC)
3.	Tenant	Community Centre Management Committee
4.	Transaction Type	New lease
5.	Extent of subjects	Attach proposed lease plan and area details
6.	Lease Duration	Varying from annual up to a maximum of 5 years depending on individual circumstances.
7.	Rent	Currently £1 pa but may change depending on what the centre is used for
8.	Repairing obligations	CEC to keep the premises wind and watertight and in safe condition. CEC will carry out other works as priorities and budgets allow.
9.	Permitted Use	The property will only be used as a community centre for enhancing education, leisure, health and wellbeing and improving conditions for the surrounding community.
10.	Alterations	Alterations are permitted but require prior CEC's consent in writing.
11.	Alienation	Assignment of the whole or of part will not be permitted. Subletting of the whole is not permitted. Subletting of part of the building is only permitted with CEC's consent in writing. This does not include short term room bookings.
12.	Insurance	CEC will insure the building and recover the premium from the management committee. The management committee is responsible for any contents insurance. The management committee will ensure they have public liability insurance with a minimum of a £10m limit per claim.
13	Non Domestic Rates	The management committee will be responsible for any rates payments. It is likely that the management committee will receive up to 100% rates relief.

14	Utilities and Soft FM services	Currently the Council meets all costs – option may be modified depending on what the centre is used for.
15	Health and Safety	The management committee will be responsible for various aspects of Health and Safety as defined by the Community Centre Handbook. Compliance with Health and Safety will be demonstrated to the Council and the management committee will attend appropriate health and safety training timeously.
16	Special Conditions	<p>The management committee will allow CEC to use the building as required without charge.</p> <p>The management committee will operate in accordance with the Council's model constitution for community centre management committees.</p> <p>The management committee will read, understand and adhere to the Community Centre Handbook at all times.</p> <p>Any lets for Festival purposes will include an obligation that the Tenant/Licensee will implement and abide by the Edinburgh Festivals Workers' Welfare Commitment (https://cultureedinburgh.com/workers-welfare) throughout the duration of this agreement.</p>