

Report Head of Service, Communities

Report to Director, Citizens & Communities

Date: 27th March 2014

Subject: Rental Support for Leased Out Community Centres 2014-15

Are specific electoral Wards affected?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
If relevant, name(s) of Ward(s): Ardsley & Robin Hood; Beeston & Holbeck; Bramley & Stanningley; Chapel Allerton; Farnley & Wortley; Garforth & Swillington; Guiseley & Rawdon; Kippax & Methley; Middleton Park; Wetherby		
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the decision eligible for Call-In?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If relevant, Access to Information Procedure Rule number: Appendix number:		

Summary of main issues

1. Thirteen organisations that lease community centres from the Council (and who received rental support in 2013/14) were given the opportunity to re-apply for support in 2014/15. Rental support is a subsidy to the market rent (rent foregone, not grant aid).
2. The organisations which receive rental support are generally third sector groups providing community facilities and activities on a local basis. These organisations would likely struggle to operate if they were required to pay full market rent.
3. The type of activities provided predominantly relate to health, fitness and leisure. These activities support the priorities within the Leeds City Priority Plan in the categories of Best City for: Children & Young People; Health and Well-being; and Communities.
4. All thirteen organisations are recommended for rental support in 2014/15. In 2014/15, the market rent for the 13 buildings is £197,796. In 2014/15, the amount of rent foregone requested is £179,017. This would result in the Council receiving £18,779 rent, i.e. 9.5% of the total rental value of £197,796. (Rent received in 2013/14 from 14 organisations was £19,779 from a total market rental value of £207,796.)
5. Five of the organisations that have received rental support have yet to sign agreed leases with Leeds City Council. Negotiations around these leases have taken place over several years in most cases.

Recommendations

6. To approve a rental support programme for leased-out community centres for 2014/15 of up to a total of £179,017 on the condition that agreed and signed leases are in place for all organisations concerned.

1.0 Purpose of this report

- 1.1 The purpose of the report is to gain approval of the 2014/15 rental support programme for leased-out community centres.

2.0 Background information

- 2.1 Of the sixty-five community centres in the directorate's portfolio, twenty-one are managed by third-party community organisations. Fourteen of these twenty-one were eligible for rental support in 2013/14. This has reduced to thirteen in 2014/15. The organisations that receive rental support start with 100% rental support in the first financial year of receipt, 95% in the second year and 90% in the third and subsequent years. Rental support does not currently drop below 90%. The maximum rent that a tenant on the rental support scheme will pay is 10%.

- 2.2 Organisations eligible for rental support are invited to apply on an annual basis. The process begins around November for the following financial year, i.e. November 2013 for the financial year 2014/15. Tenants are requested to complete the rental support application form and submit supporting evidence. This supporting evidence may include: audited accounts (where appropriate) or financial statements; bank statements; an annual report; policies and procedures. This information is used when considering the level of support to be awarded. Those not eligible for rental support are generally charged a peppercorn rent.

- 2.3 Following the approval of rental support (subject to Call in) a schedule of due rents is sent to City Development to enable the 'rent roll' to be amended for the next financial year. A copy of the schedule should also be sent to C&C finance to enable them to monitor the rent collected.

- 2.4 The current system of rental support for leased-out community centres was approved by Executive Board in October 2005. The rental support program has subsequently been reviewed and agreed during the time that the community centre portfolio was vested with Environment & Housing.

3.0 Main issues

- 3.1 The organisations recommended to receive rental support are primarily small third sector groups. Of the thirteen organisations: eleven are either registered charities, companies limited by guarantee or both; one is a registered Community Amateur Sports Club (CASC); one is unregistered but constituted.

3.2. The types of activities these organisations provide are predominantly health, fitness and leisure. These activities support the priorities of Best City for: Children & Young People; Health and Well-being; and Communities.

3.3 A total of thirteen organisations are recommended for rental support in 2014/15. Proposed levels of support are as shown in the following table. Details of the activities provided by each organisation can be found in the appendix.

Organisations Recommended for Support	Community Centre	Market Rental Assessment	Rental Support Requested (2014/15)	Rental Support Eligible	Rental Support Recommended (2014/15)		Rent payable to LCC (2014/15)
					%	Value	
BARCA	Sandford Community Centre	£11,500	90%	90%	90%	£10,350	£1,150
Deepdale Community Association	Deepdale Community Centre	£4,750	90%	90%	90%	£4,275	£475
East Ardsley Community Association	East Ardsley Community Centre	£5,400	90%	90%	90%	£4,860	£540
Fairfield Partnership Company Ltd	Fairfield Community Centre	£11,746	90%	90%	90%	£10,572	£1,174
Feel Good Factor (Leeds)	53 Louis Street	£10,800	90%	90%	90%	£9,720	£1,080
Firthfields Community Association	Firthfields Community Centre	£10,000	100%	90%	100%	£10,000	£0
Garforth Community Association	Garforth Welfare Hall	£23,600	90%	90%	90%	£21,240	£2,360
Greenacre Hall Community Association	Greenacre Hall	£40,000	90%	90%	90%	£36,000	£4,000
Guiseley (AOS) Theatre	Guiseley Theatre	£21,500	90%	90%	90%	£19,350	£2,150
Health For All (Leeds) Ltd	Holbeck Youth Centre	£19,600	90%	90%	90%	£17,640	£1,960
Kippax Community Association '82	Kippax Community Centre	£9,500	90%	90%	90%	£8,550	£950
Lower Wortley Community Association	Lower Wortley Community Centre	£19,000	90%	90%	90%	£17,100	£1,900
Middleton Park Football Club	Cranmore & Raylands Community Centre	£10,400	90%	90%	90%	£9,360	£1,040

Total 2014/15		£197,796				£179,017	£18,779
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- 3.4 All organisations except one have applied for support at the level they are entitled to receive. Firthfields Community Association has requested an increase in their rental support from 90% to 100% which equates to an extra £1,000 of foregone rent. Over the last year, Firthfields Community Association has invested in the fabric of the building. These improvements include: refurbishment of the ladies and gents toilets (£7,635); disco lighting (£520); TV aerial & licence (£253); granwood floor (£5,600). Because the level of investment is significantly higher than the level of additional support being requested (and helps maintain / add value to a Council asset), the full 100% rental support has been recommended for approval.
- 3.5 The amount and percentage of rent receivable by the Council from organisations eligible for support has risen since 2010/11 and has been sustained in this financial year and currently stands at £18,779. This equates to 9.5% of the collective market rental for these thirteen centres.

Year	Rent receivable	% of market value
2010/11	£10,418	5.5%
2011/12	£12,513	6.1%
2012/13	£16,615	8.2%
2013/14	£19,779	9.5%
2014/15	£18,779	9.5%

- 3.6 Leases are in place with 8 of the organisations requesting rental support. Lease negotiations have taken place over several years with the other 5 organisations and a position has now been reached where all of these leases can be signed. The leases will provide a legal status for the arrangements between the organisations and Leeds City Council in terms of the use of the various buildings. Break clauses will allow either party to end the arrangements, with notice, should the arrangements prove to be unsuitable in the future.
- 3.7 The organisations and centres where leases have yet to be signed are as follows:

Organisations Recommended for Support	Community Centre
BARCA	Sandford Community Centre
Fairfield Partnership Company Ltd	Fairfield Community Centre
Garforth Community Association	Garforth Welfare Hall
Guiseley (AOS) Theatre	Guiseley Theatre
Kippax Community Association '82	Kippax Community Centre

4.0 Corporate Considerations

4.1 Consultation and Engagement

4.1.1 The level of engagement with tenants varies depending on their needs. Visits to tenants may take place during the drafting of Heads of Terms, to ensure that tenants are fully aware of their responsibilities and the council's responsibilities with regards to the building. In addition, a tenants' handbook is sent to all tenants containing building related information. In addition, details of the annual Rental Support scheme are also made available well before the renewal deadline to give organisations time to consider their position and make applications as necessary.

4.2 Equality and Diversity / Cohesion and Integration

4.2.1 Groups are offered on-going support with regards to developing policies and procedures. There is evidence in some centres of wider community use following training that was delivered to leaseholders.

4.2.2 An equality impact screening has been carried out and has determined that a full assessment is not required at this stage because of the continued positive benefit to communities of maintaining the existing rental support arrangements in 2014/15.

4.3 Council policies and City Priorities

4.3.1 Organisations applying for rental support need to demonstrate that the type of activities they provide are predominantly health, fitness and leisure which support the priorities of Best City for: Children & Young People; Health and Well-being; and Communities.

4.4 Resources and value for money

4.4.1 Even though tenants are paying only 10% of the market rent (or 0% for one organisation), they all cover the running costs of the buildings. All tenants carry out some maintenance tasks and some have responsibility for all repairs and maintenance. If the buildings were being managed by the council, the cost to the council would be much higher due to the management costs being incurred.

4.5 Legal Implications, Access to Information and Call In

4.5.1 The decision to provide rental support is subject to Call In as the value of support, in terms of rent forgone, is greater than £100,000.

4.6 Risk Management

4.6.1 Providing a programme of rental support helps ensure all leased out centres remain tenanted. The level of rental support being provided to individual tenants reduces the risk of their projects failing and helps secure activities and programmes of support for local communities.

4.6.2 The limited amount of rent that organisations are required to pay should have a negligible impact on their ability to continue operating the centres.

4.6.3 Processes are in place to collect the rent due to the council and to monitor on-going use and upkeep of the centres.

5.0 Conclusions

5.1 The organisations that are eligible for rental support are providing locally-based activities which contribute towards city priorities. The majority are small charities (or similar) who would struggle to operate without rental support. Providing rental support enables organisations to keep the centres running and in cases maintain and add value to council assets. The council is almost receiving the maximum level of rent payable through this programme as all but one of the eligible organisations have been recommended for support at the lowest level available within the scheme's parameters.

6.0 Recommendations

6.1 To approve a rental support programme for leased-out community centres for 2014/15 of up to a total of £179,017 on the condition that agreed and signed leases are in place for all organisations concerned.

7.0 Background documents¹

7.1 EIA Screening Document Jan 2013

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.

Appendix 1

Organisations Eligible for Rental Support

BARCA-Leeds is a registered charity and a company limited by guarantee located at The Manor House (Bramley). They have a lease at Sandford Community Centre (Bramley). BARCA-Leeds delivers a wide range of projects targeting children and young people aged 5 - 19yrs. The main aims for their service are to encourage positive activity and healthier lifestyles; keep young people safe from harm; support young people to achieve in school; support young people who are at risk of becoming NEET (not in education, employment or training); provide an alternative to anti-social behaviour and crime; reduce risk of social isolation; increase young people's opportunity to participate and influence their community; provide a safe environment for play and leisure. BARCA-Leeds own two properties, one in Leeds and one in the Lake District. BARCA-Leeds employs staff.

Deepdale Community Association is a registered charity with a lease at Deepdale Community Centre (Boston Spa). Deepdale CA provides two rooms for rent to local community groups to facilitate various profit and non-profit making activities. These activities include: yoga; dance schools; religious groups; art classes; gardening club.

East Ardsley Community Association is a registered charity with a lease at East Ardsley Community Centre (East Ardsley). It provides the following activities: a pre-school group; karate; coffee mornings run by less able adults; cubs; Community Association meetings; Senior Citizens Luncheon Club; dancing school; Ardsley in Bloom meetings; gala arrangement meetings. The venue is also available for hire for private parties.

Fairfield Community Partnership Ltd is a Company Limited by Guarantee with a lease at Fairfield Community Centre (Bramley). Activities include: baby groups; community café; cookery; elderly lunch clubs; exercise classes; gentlemen group; IT classes; job clubs; knit & natter; youth group. Fairfield Community Partnership Ltd employs staff.

Feel Good Factor Leeds (FGF) is a Company Limited by Guarantee with a lease at 53 Louis Street (Chapelton). Its remit is to improve health and well-being through a variety of activities. Its main users are women and girls from the African-Caribbean, African, Chinese, Asian and asylum seeker communities. Their activities include: Artstart - mental wellbeing project; cancer awareness project; diabetes awareness project; physical activity classes; healthy eating courses; intergenerational activities; older people and technology project; Living Well Project for older people with long term conditions; Healthy Lives, Healthy Homes partnership project to enable older people to live healthily and independently in their own homes; Train4Life - education and training classes (OCN accredited training centre); Change4Life - childhood obesity project working with families in Chapelton and Harehills; Older and Active - volunteer project; Older and Active - Chinese and Vietnamese communities; Let's Talk Money - financial management courses; welfare reforms project. FGF employ staff.

Firthfields Community Association is a registered charity with a lease at Firthfields Community Centre (Garforth). Activities include: art class; committee meetings; parent / carer toddlers group; modern dance classes; gardening club; karate and kickboxing classes; child minders social group; Militaria Society. Firthfields CA employ a caretaker.

Garforth Community Association is a registered charity with a lease at Garforth Miners Welfare Hall (Garforth). Activities include: arts and craft exhibition; flower and vegetable

show; plant sale; plays; musicals; parties; shows; a venue for council and third party meetings.

Greenacre Hall Community Association is a registered charity with a lease at Greenacre Hall (Rawdon). Activities include: baby ballet; dance classes; Darby & Joan club, Weightwatchers; Pilates, karate, Slimming World; Zumba. Greenacre Hall CA employs staff.

Guisseley (AOS) Theatre is an unincorporated but constitutional organisation with a lease at Guisseley Theatre (Guisseley). Activities include: camera club; line dancing groups; church fellowship; piano lessons; Zumba; Pilates; yoga; martial arts; Kumon education classes; children's parties; dance festivals; summer schools; rehearsals and shows of local amateur operatic societies. Guisseley (AOS) Theatre employs one member of staff.

Health For All (Leeds) Ltd is a registered charity and a Company Limited by Guarantee based at Tenants Hall Enterprise Centre (Middleton). They have a lease at Holbeck Youth Centre (Holbeck). Activities include: sports; arts and crafts, drama; music; dance; healthy lifestyle classes; Youth Service activities; work club; IT; horticultural / gardening activities; Mosaic Church; Holbeck Christian Fellowship; The Cupboard Peer Support groups. Health For All employs staff.

Kippax Community Association '82 is a registered charity with a lease at Kippax Community Centre (Kippax). Activities include: art lessons; council meetings; dancing lessons; mother & children socialising group; polling station; private parties; theatre rehearsals; Women's Institute meetings.

Lower Wortley Community Association is a registered charity with a lease at Lower Wortley Community Centre (Wortley). Activities include: afternoon club; ballet; bingo; council meetings; exercise classes; line-dancing; lunch club; private parties; slimming club; table tennis; Zumba.

Middleton Park Football Club is a registered Community Amateur Sports Club (CASC) with a lease at Cranmore and Raylands Community Centre (Middleton). Middleton Park FC's main objective is to provide facilities for (and promote the participation) in the sport of football within the local community. They facilitate various football teams and football training for men, women and children. Other activities include: African group; DAZL Dance groups; People in Action disability group.