

ANGUS COUNCIL

COMMUNITIES COMMITTEE - 24 MAY 2016

BRECHIN CITY HALLS - VOLUNTEER MANAGEMENT

REPORT BY ALAN MCKEOWN, STRATEGIC DIRECTOR - COMMUNITIES

ABSTRACT

This report seeks agreement to lease the Brechin City Halls from 1 June 2016, for a period of 5 years to the Brechin City Hall User Group to operate the Halls for Community and Commercial use. As part of this agreement, relevant, and proportionate, non-financial support and assistance will be available from Angus Council as well as the transfer the resources outlined in this report.

1. RECOMMENDATIONS

It is recommended that the Committee:

- (i) agrees to lease the Brechin City Halls for a period of 5 years from 1 June 2016 to the Brechin City Hall User Group for the purposes of community and commercial use;
- (ii) notes the heads of terms of the lease agreed with the Head of Technical and Property Services contained in **Appendix 1**;
- (iii) agrees provision of financial resources on a pro rata basis as outlined in the report; and
- (iv) commends the Group for their efforts in volunteering and the entrepreneurial spirit that is driving community control at this time.

2. ALIGNMENT TO THE ANGUS COMMUNITY PLAN/SINGLE OUTCOME AGREEMENT/CORPORATE PLAN

This report contributes to the following local outcomes contained within the Angus Community Plan and Single Outcome Agreement 2013-2016:

- Communities that are prosperous and fair
- Communities that are learning and supportive
- Communities that are safe and strong
- Communities that are caring and healthy

3. BACKGROUND

Members will be aware of the drive at the local and national level to grow community resilience and create opportunities for community volunteering and community ownership of projects, buildings and land. Angus Council has made excellent progress in this area of work in advance of the Community Empowerment (Scotland) Act 2015 which has recently been enacted. At the same time members are also aware of significant budget challenges faced by not just Angus Council but all public sector bodies.

This financial challenge is married to the delivery and availability of new facilities in Brechin which, whilst providing new and exciting modern facilities, creates a duplication and potential over supply situation. There is a considerable degree of familiarity within the Brechin

community for the City Halls and their prominent position within the town. Owing to the financial challenges however, Angus Council cannot continue to provide every service everywhere and a deployment of resources has had to be prioritised. In the current situation, the possibility of the community operating and managing the facility has been explored by officers with the community and has had a successful outcome.

4. CURRENT POSITION

Working with communities and working through Community Asset Transfer for other properties has provided vital experience that has been invaluable in assisting the local community with shaping their plans for the community taking over operation and maintenance of the Brechin City Halls. As a Common Good asset the Halls are excluded from a Community Asset Transfer in accordance with the Community Asset Transfer policy, and a lease to a community body is considered a suitable alternative.

The Brechin Hall User Group is an unincorporated association which has have been established for the purpose of operating and promoting the use of Brechin City Hall for community and commercial activities.

In pursuit of these objects the Group is non-political and shall act in a fair and non-discriminatory way.

Angus Council currently operates the Brechin City Halls which are open all year round. The Halls currently run at a loss. The average costs for the running of the Halls since 2009/10 have been as follows:

BRECHIN CITY HALL - LONGITUDINAL INCOME AND EXPENDITURE

	<u>2009/10</u>	<u>2010/11</u>	<u>2011/12</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>6 Yr Ave</u>
	<u>Actual £</u>	<u>Actual £</u>	<u>Actual £</u>	<u>Actual £</u>	<u>Actual £</u>	<u>Actual £</u>	
Staff Costs	20,618	22,220	20,740	20,293	21,542	21,798	21,202
Other Costs (excl. Depn)	27,422	29,593	26,061	20,587	20,211	20,755	24,105
Gross Expenditure	48,040	51,813	46,801	40,880	41,753	42,553	45,307
Income	(11,144)	(9,282)	(12,516)	(9,332)	(12,848)	(12,692)	(11,302)
Net Expenditure (Actual)	36,896	42,531	34,285	31,548	28,905	29,861	34,004

Average costs per heading are, Staff cost, £21,200, Other Costs, £24,105, Gross Expenditure, £45,307, Income £11, 302, Actual Expenditure Minus £34,004. This equates to a cost to the Council of £34,004 per annum on average over the past 6 years.

Members are asked to note that the necessary insurances will be put in place by the Group. A sum of up £13,000 per annum (pro-rata) will be transferred to the Group. This sum comprises the average staff cost and other revenue costs contained within the other costs section (waste uplift charges, cleaning materials, other ad hoc revenue outlays).

6. FINANCIAL IMPLICATIONS

The cost of these arrangements will be contained within existing budgets. Angus Council will continue to maintain the building and pay for the services and the group will receive £13,000 per annum. Non-financial assistance will also be provided to the Group from property and ECP on a reasonable basis.

7. OTHER IMPLICATIONS

The development of this arrangement with a community group represents an enhancement of partnership working and further demonstration of the Council's commitment to working with local communities in keeping with the Community Empowerment (Scotland) Act 2015. A legal agreement has been drawn up by Estates and Legal and Democratic Services setting out the necessary roles and responsibilities and the various repairing and maintenance responsibilities.

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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Appendix 1 – Heads of Terms of Lease

HEADS OF TERMS OF LEASE

Landlord:	Angus Council
Tenant:	Brechin City Hall User Group
Property to be Leased:	Brechin City Hall, as shown in red on the attached plan
Term:	5 years
Break Options:	6 monthly on serving 3 months' notice
Rent:	£1 p.a. if demanded
Rent Review	N/A
Payment of Rent:	Rent to be paid by Direct Debit on 1 st of each month. Where the date of entry is not the 1 st an invoice will be issued for the period from the date of entry to the 1 st of the following month.
Use:	Hall for use by the public for theatrical productions, events, exhibitions, meetings, sports use and functions such as wedding receptions, dances and dinners.
Rates:	Landlord to be responsible for payment of general rates. The tenant will be responsible for payment of water rates.
Repairs and Maintenance:	The Landlord will be responsible for keeping the property wind and watertight. The Tenant shall be responsible for all other repairs and maintenance, including cleaning, as detailed on the attached responsibilities database.
Alterations:	No alterations to property without the landlord's prior written consent.
Safety Certificates:	Tenant to be responsible for fixed electrical testing, water testing including legionella testing, gas boiler and soundness testing and provision and testing of fire safety equipment.
Insurance (Building):	Landlord
Insurance (Contents & Third Party e.g. Public Liability):	Tenant
Planning:	The tenant is responsible for obtaining all appropriate permissions and /or licences, including any planning permission in relation to their use of the subjects.