

REPORT FOR: **CABINET**

Date of Meeting:	13 September 2012
Subject:	Proposed Letting of Community Resource Centre - 27 Northolt Road
Key Decision:	No
Responsible Officer:	Andrew Trehern, Corporate Director Place Shaping
Portfolio Holder:	Councillor Thaya Idaikkadar, Deputy Leader and Portfolio Holder Property and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Enclosures:	Appendix 1 – List of organisations in Carramea Appendix 2 – Equality Impact Assessment

Section 1 – Summary and Recommendations

This report sets out proposals and terms for leasing Community Resource Centre at 27 Northolt Road to Carramea.

Recommendations:

Cabinet is requested to authorise the Corporate Director Place Shaping in conjunction with the Deputy Leader and Portfolio Holder for Property and Major contracts to approve the leasing of the Community Resource Centre at 27 Northolt Road to Carramea on the terms outlined in paragraph 14 together with any other terms considered appropriate.

Reason: (For recommendation)

To permit the continued operation of Community Resource Centre at 27 Northolt Road as a Community Premises

Section 2 – Report

Introductory paragraph

1. Community and Cultural Services are proposing to transfer the management of Community Resource Centre at 27 Northolt Road, which offers access to office facilities to 27 community organisations in the Borough to Carramea, a consortium of 16 groups currently based at the property. Currently the Council provides this space at no charge to any of the organisations and covers all running costs, under these proposals Carramea would take on all the running and repair costs for this facility on a phased basis.
2. For Carramea to take on the management of the property the Council will need to grant a lease of the property to Carramea. This report seeks Council approval to grant a lease to Carramea.
3. By leasing this property to Carramea the Council will ensure that the building will still be available for the community groups that use it thus supporting the following Corporate Priorities:
 - Keeping neighbourhoods clean, green and safe.
 - United and involved communities: A Council that listens and leads.
 - Supporting and protecting people who are most in need.

Background

4. The Community Resource Centre at 27 Northolt Road is a ground floor office in a four storey block with Council flats. The property is held within the Housing Revenue Account. Currently the property, known as the Community Resource Centre is operated by Community and Cultural Services and provides office space and a meeting room at no cost to voluntary and community sector (VCS) organisations, an arrangement that has been in place since about 1996.

5. Organisations are able to apply for use of an individual office, designated desk or casual use of a desk, depending on the number of hours spent at the premises and individual groups needs. There is also an option for organisations to use the Community Resource Centre as a postal address only or make use of the meeting and counseling rooms. Currently 27 organisations benefit from this support.
6. During 2011 Harrow Council undertook a consultation on the future provision of Council support to the Third Sector. This consultation included questions on the future provision of Community Resource Centre. The results of the consultation survey showed that 65% of respondents agreed or strongly agreed that organisations should contribute towards the cost of this provision; the results also showed that 75% agreed or strongly agreed that there should be alternate provision in the borough, such as a resource centre or drop-in venue, possibly run by organisations themselves.
7. Consultation with Community Resource Centre user groups in December 2010 also indicated a strong interest by users that the groups themselves should manage the building. User groups acknowledged that in future they would need to make some financial contribution for using the facilities. During this consultation interest was expressed by a number of organisations in providing community management of the facility and all user groups were encouraged to submit proposals to the Council.
8. Carramea, a consortium of 16 organisations currently based at the Community Resource Centre secured £60,000 of capital funding from the Harrow Strategic Partnership and £50,000 of revenue funding as part of the West London Big Lottery Fund application. With this backing they have submitted a proposal to undertake the management of the Community Resource Centre. Carramea was established in 1999 and is made up of a range of small organisations (with an income of less than £10,000 per annum) that serve mainly Black Minority Ethnic (BME) and Refugee communities. Carramea propose to use the funding that has been secured to install state-of-the-art IT equipment, undertake some refurbishment of the building and employ a centre Manager.
9. The proposal is to offer multi-use, flexible office and meeting room space available to hire at an affordable hourly rate. Each of the five multi-purpose rooms would be equipped with internet enabled computers and the layout for each room would make it available to hire in any one of the following ways;
 - (i) individual hot desking space
 - (ii) hired as an entire office
 - (iii) hired as a meeting room

10. Carramea's proposal also includes the provision of a full-time Centre Manager; opportunities for volunteers and job-seekers to be involved in the provision of reception services and general management of the building; a switchboard, message and post handling service; IT training room and state-of-the-art Apple Mac design suite for the production of publicity material.

Options considered

11. **Option 1 - Do nothing** – the Council currently provide access to Community Resource Centre at 27 Northolt Road at no cost to any of the groups using it and thus fund the rent of the property to the HRA, provide a centre manager and meet all the running and repair costs. The Council is no longer able to sustain this level of support for the property and the alternative would be to pass on the total costs to existing organisations on an individual basis.
12. **Option 2 - Lease the property to Carramea** – By leasing the property to Carramea the Council will ensure that the property remains available to community organisations and that the cost to the Council will reduce to zero on a phased 3 year basis. Carramea have secured funding from the Harrow Strategic Partnership and the Big Lottery Fund to provide investment into the property and support the enterprise. Carramea is made up of 16 organisations that all operate from the Community Resource Centre at 27 Northolt Road.
13. Option 2 is recommended as it keeps the facility open, provides funding for upgrading the offices and reduces the budget support the Council give to the property over a three year period.
14. The main terms of the lease to Carramea are to be as follows:

Term:	10 years -
Rent:	£18,750 pa subject to a rent review at the end of the 5 th year.
Break Clause:	There should be a mutual break clause on 6 months notice to allow either party to terminate should the arrangement not be working. The tenant is to ensure that the property is returned unencumbered.
Alienation:	The tenant is not permitted to assign the whole or part or underlet the whole although the tenant will be permitted to grant a Facilities Use Agreement the form of which is to be agreed with the Council
Repairs:	The tenant is to be responsible for internal repairs, windows and doors and any damage due to ineffective management.
Rates and Utilities	The tenant is to be responsible for all rates and utilities.
Security of tenure	The lease is to be contracted out of the Security of Tenure provisions of the Landlord and Tenant Act 1954.

Financial Implications

15. In the current financial climate, the Council has to consider all spend carefully. Currently, the Council offers access to office space at Community Resource Centre at no charge to any organisation. This proposal provides the opportunity to work with local community organisations to offer improved facilities, managed by and on behalf of the community, whilst reducing the financial burden on the Council.
16. Under these proposals Carramea would take on all running and repair costs for this facility. Some continued financial support from the Council would be required to support the project in its initial stages. It is proposed that the Council would continue to pay the rental costs on a tapered basis over the first three years of the project on terms to be agreed, if this project proceeds. The annual rent costs are £18,750 and these would be managed within the Community and Culture budget.

Legal Implications

17. The property is held for the purposes of Part II of the Housing Act 1985, meaning that it may not be disposed of without the consent of the Secretary of State for Communities and Local Government. The disposal of housing land not comprising dwellings for any consideration falls within the “General Consent for the Disposal of Land held for the purposes of Part II of the Housing Act 1985 – 2012” and therefore no specific application for the Secretary of State’s consent will be required.

Performance Issues

18. The transfer of the management and grant of the lease will contribute to the delivery of the corporate vision ‘Working together: Our Harrow, Our Community’. The grant of the lease will enable community management of a Council-owned asset and demonstrate the Council’s commitment to working with the community to deliver positive outcomes for Harrow’s residents.
19. The activities of most of the organisations that are part of the Carramea consortium provide services that contribute to the delivery of the Council’s corporate priorities, in particular;
 - Keeping neighbourhoods clean, green and safe.
 - United and involved communities: A Council that listens and leads.
 - Supporting and protecting people who are most in need.
20. The project also supports the delivery of the Third Sector Investment Plan 2012-15 which set out proposals to develop Third Sector hubs that offer opportunities for shared costs, community management and flexible use.

21. The delivery of this project will be monitored by Community and Culture to ensure that;
- I. The centre operates on a sound financial basis.
 - II. The centre is open and accessible to a range of organisations in the borough.
 - III. The centre is delivering activities that support the Council's corporate priorities.

Environmental Impact

22. The leasing of the Community Resource Centre at 27 Northolt Road will not affect any environmental issues. The proposed tenant, Carramea will be encouraged to operate the property in an environmentally sustainable manner.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

23. The main risks identified for this proposal is the long-term sustainability of the project which depends on several factors including;
- (i) Carramea's ability to continue raising funds to support the running of the building;
 - (ii) a viable business and marketing plan that generates sufficient income to cover running costs;
 - (iii) capacity within the organisation to manage the project.
24. To mitigate against these risks and to support Carramea, the interim CVS service has been providing advice and guidance. Specialist advice has also been provided by other charities such as the Ethical Property Foundation. Regular meetings have also been held between Carramea and Council officers to monitor the development of the proposals. If the proposal is accepted by Harrow Council it will continue to monitor the project so that issues can be identified early and further support provided as necessary

Equalities implications

25. The equality impact assessment (Appendix 2) does not identify any adverse impact on the protected characteristics. Current user groups have been consulted on the proposed hire charges and groups have indicated that these are affordable. In light of Carramea's proposals to increase the use of the building the assessment identifies the potential for a positive impact on all groups as many of the organisations that are likely to benefit from this facility when it is leased to, and managed by Carramea serve the needs of people within the protected characteristic groups.

Corporate Priorities

26. Many of the organisations based at the Community Resource Centre provide projects and activities that support the following corporate priorities.

- Keeping neighbourhoods clean, green and safe.
- United and involved communities: A Council that listens and leads.
- Supporting and protecting people who are most in need.

Section 3 - Statutory Officer Clearance

Name Roger Hampson	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date 17 August 2012		
Name: Matthew Adams	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 16 August 2012		

Section 4 – Performance Officer Clearance

Name: Alex Dewsnap	<input checked="" type="checkbox"/>	Divisional Director Partnership, Development and Performance
Date: 3 August 2012		

Section 5 – Environmental Impact Officer Clearance

Name: John Edwards	<input checked="" type="checkbox"/>	Divisional Director (Environmental Services)
Date: 27 July 2012		

Section 6 - Contact Details and Background Papers

Contact: Belinda Prichard – SP Estate Management
Tel 020 8420 9330.

Background Papers: None

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call in applies]