

## **EAST AYRSHIRE COUNCIL**

### **COMMUNITY SERVICES COMMITTEE – 17<sup>TH</sup> SEPTEMBER 2003**

#### **DUNLOP AND DISTRICT COMMUNITY COMPANY – REQUEST TO LEASE DUNLOP VILLAGE HALL AND APPLICATION FOR FINANCIAL ASSISTANCE**

##### **Report by the Director of Community Services**

### **1. PURPOSE OF REPORT**

- 1.1 To consider a request from the Dunlop and District Community Company to lease, and subsequently upgrade and manage the Dunlop Village Hall and further consider a request from the same group for financial assistance for an initial period of 3 years.

### **2. BACKGROUND**

- 2.1 The Dunlop and District Company was initially formed following a public meeting in March 2001. The Company was formally incorporated in July 2002. The Company was established to negotiate a lease for the Dunlop Village Hall and then manage the facility while implementing a major refurbishment programme.
- 2.2 Discussions regarding a draft lease and Service Level Agreement have been ongoing since autumn 2001. The Company received £790 from the Council's Match Fund and £1,500 from the Northern Area Local Committee in 2002/03 towards a feasibility study into refurbishment proposals and potential sources of funding. The refurbishment will update the facility and improve access for people with disabilities. The total cost of the works has not been finalised.
- 2.3 The Council is currently responsible for the management and maintenance of the hall and a range of community groups make regular use of the hall. The average annual running costs total £14,400, including the cost of staff, utilities, rates etc. Average income for the previous 3 years is £4,250, giving an average net expenditure of £10,150. A caretaker is employed at the Hall by the Council.
- 2.4 While the hall is in reasonable condition, it does require refurbishment and the addition of facilities, including toilets for people with disabilities. It is not possible to identify the average maintenance cost of the facility as repairs are carried out on a reactive basis.

### **3. CONSIDERATIONS**

- 3.1 Several community halls in East Ayrshire are managed by voluntary groups. The Company is properly constituted and would seem to be able to manage the hall, and the refurbishment and improvement programme efficiently.

- 3.2 The transfer will require the agreement of an appropriate concessionary lease between the Council and the Company. The lease will require the formal approval of the Council's Corporate Governance Committee before it can be completed. The Company has requested a long lease to give them the security of tenure required to support their grant aid applications.
- 3.3 The Company has also requested revenue funding support for 3 years at a total of £45,023, or approximately £15,008 per annum. This sum is based on figures supplied by the Council, however the Company are hoping to take responsibility for the maintenance of the building; they have therefore requested a sum of £6,500 per year to cover maintenance in their application. In this instance as the Company is applying for funds to carry out work currently being carried out by the Council, it may be appropriate to consider making any grant from existing revenue funds rather than the Committee's Grants to Voluntary Organisation Fund.
- 3.4 Whilst the Committee has not previously approved 3 year grant funding, other Council Committees have. This allows groups greater security when fundraising.

#### **4. FINANCIAL IMPLICATIONS**

- 4.1 The level of revenue grant requested exceeds the average level of expenditure on the hall currently incurred by the Community Services Committee, the difference between the two figures would therefore have to be met from other budgets.

#### **5. LEGAL IMPLICATIONS**

- 5.1 Any agreement with the Dunlop and District Community Company will require to be underpinned by a formal lease and a Service Level Agreement which will be prepared by the appropriate Council officials.

#### **6. POLICY IMPLICATIONS**

- 6.1 Approval of the Company's proposals would support the Council's commitment to partnership working and community regeneration.
- 6.2 As the project involves the transfer of work currently being carried out by Council employees to an external organisation, consultation with the Trade Unions will be required.

#### **7. CONCLUSIONS**

- 7.1 The Dunlop and District Community Company has the necessary skills and support to effectively manage and upgrade the Dunlop Village Hall. In order to allow the Company to move forward the Council are being asked to transfer management responsibility to the Company through a concessionary lease and offer revenue support for the 3 year period requested.

- 7.2 It would be appropriate to offer support to the Company's proposals as this would be in line with the Council's commitment to supporting community empowerment and capacity building.
- 7.3 Revenue support should be offered at a level that matches the Committee's average level of revenue expenditure, i.e. £10,150, this grant could then be met from Community Services budgets.

## **8. RECOMMENDATIONS**

8.1 It is recommended that the Committee:-

- i) approves, in principle, the request from the Dunlop and District Community Company to lease the Dunlop Village Hall;
- ii) remits to the Director of Community Services to consult the appropriate Trade Union with regard to this proposal;
- iii) approves, in principle, the request for 3 year revenue funding at £10,150 per year, to be paid on a pro-rata basis related to the date of commencement of the lease.
- iv) remits to the Director of Development Services and Head of Legal Services to negotiate an appropriate concessionary lease for approval by the Corporate Governance Committee.
- v) remits to the Director of Community Services and Head of Legal Services to negotiate an appropriate Service Level Agreement with the Company to include revenue support ;
- vi) remits to the Director of Community Services to report back on progress with this project in due course; and
- vii) otherwise notes the contents of this report.

Williams Stafford  
**Director of Community Services**

WS/JAG/KH

28<sup>th</sup> August 2003

## LIST OF BACKGROUND PAPERS

1. 3<sup>rd</sup> July 2003 – Letter from Campbell Riddell, Breeze Paterson Solicitors (representing the Company to Head of Legal Services)
2. 24<sup>th</sup> June 2003 – Letter from Principal Surveyor to Company Secretary
3. 23<sup>rd</sup> June 2003 – Application for concessionary lease from Dunlop and District Community Company.
4. 18<sup>th</sup> June 2003 – Letter to DCX/DCS from Company Secretary.
5. 6<sup>th</sup> June 2003 – Letter from DCX/DCS to Company Secretary.

Any person wishing to inspect the background papers listed above should telephone John Griffiths, Head of Leisure Services, on 01563 576264.

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