

Portfolio Holder for Finance



County Hall
Llandrindod Wells
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22 March 2017

For further information please contact

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NOTICE OF INTENDED PORTFOLIO HOLDER DELEGATED DECISION

The Portfolio Holder has received the following report for a decision to be taken under delegated authority. The decision will be taken on **28 March 2017** (i.e. 3 clear days after the date of this note). The decision will be published on the Council's website but will not be implemented until 5 clear days after the date of publication of the decision) to comply with the call-in process set out in Rule 7.37 of the Constitution.

1.	LLANWDDYN COMMUNITY CENTRE
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CYNGOR SIR POWYS COUNTY COUNCIL.**PORTFOLIO HOLDER DELEGATED DECISION****By****COUNTY COUNILLOR ROSEMARIE HARRIS**

(Portfolio Holder for Property Buildings and Housing)

COUNTY COUNILLOR TONY THOMAS

(Portfolio Holder for Regeneration and Planning)

COUNTY COUNILLOR WYNNE JONES

(Portfolio Holder for Finance)

MARCH 2017**REPORT AUTHOR: Regeneration Manager****SUBJECT: Llanwddyn Community Centre**

REPORT FOR: Decision

1. Summary

- 1.1 Llanwddyn Community centre is currently managed by a 'Community Incorporated Organisation' (CIO) under an internal repairing lease from Powys County Council (PCC), at a nominal rent. The current lease places responsibility on the leaseholders to maintain and repair the internal fabric of the leased parts only. PCC remains responsible for the external structure and fabric of the building inclusive of the heating system.
- 1.2 The Community Centre is attached to a closed school facility which has been declared surplus to requirements and both properties are currently suffering significant disrepair due to a lack of building maintenance.
- 1.3 The management committee are currently seeking to establish a new lease with PCC where they will take full responsibility for the Community Centre under a full repairing lease (FRL). This will enable the organisation to seek external grant funding to put the property into repair.
- 1.4 Further to a number of meetings having been undertaken between PCC and the CIO it has been established that a number of specific requirements need to be undertaken by PCC prior to the management group agreeing to take responsibility for the property under an FRL. These items include:

- The removal of the defective heating system and the provision of a new stand-alone heating system and ancillary structures to support the community centre only.
 - The isolation of existing utility services and the provision of new water services etc. to allow the community centre to operate independently of the adjoining school property.
- 1.5 It is noted from a recent structural survey that the current roof structure and external cladding material of the community centre is subject to significant failure. The result of this failure may allow roof tiles to potentially slip from the roof structure which is a significant health and safety hazard. This has resulted in the need to secure the building with fencing to protect building users and visitors. The estimated cost to replace the defective roof is in the region of £200,000.
- 1.6 The following works are required to separate the two structures and allow the CIO to take a full repairing lease on the property and reduce the financial liability currently faced by PCC:
- Separation of water services, including new meter.
 - Strip out and dispose existing plant from wooden shed/plantroom.
 - Remove and dispose woodchip store and ramp, make good site.
 - Remove and dispose chimney, make good existing external pipe work.
 - Install new boiler and bunded tank to wooden boiler room.
 - Ensure safe delivery route for fuel delivery.
 - Install basic controls for heating plant, electrical related works.
 - Reconfigure heating connections to new plant, including ground works.
 - Isolated/ disconnect electrical system to school.
 - Make existing basement plant room safe.
 - Encapsulation of asbestos clad columns.
 - Install party wall to isolate buildings.

2. Proposal

- 2.1 The council commit the necessary investment to make good the two specific items as identified in 1.4 and 1.6 to enable a full transfer of the lease to the CIO to take place.
- 2.2 The Property projects team have advised a budget in the region of £100,000 is required to complete the construction works.
- 2.3 Outstanding debt for utilities prior to the 2016 finance year of £49,783.47 to be written off and funded from revenue underspends upon signing of the new lease agreement. Costs from April 2016 onwards will remain due for payment by Llanwddyn committee.

- 2.4 Outstanding community payments due to Llanwddyn committee of £10,000 be used to offset the outstanding debt.

3. One Powys Plan

- 3.1 In order to achieve the objectives set out in the One Powys Plan, the transformation of Leisure Services supports the following priorities:
- i. **Healthy lifestyles** - Powys citizens will be supported and empowered to lead active and healthier lives.
 - ii. **Stronger, safer and economically viable communities** - Bringing people together in Powys so they feel that they matter, belong and can contribute to their community
 - iii. **Financially balanced and fit for purpose public services** - Enabling 'joined up' services for Powys citizens through public and third sector partnerships.

4. Options Considered/Available

- 4.1 Option 1 – Do nothing

Risks	<ul style="list-style-type: none"> • The authority is held liable for breach of contract and is held liable for the full cost of putting into repair the community centre, in addition to any legal costs should the tenant pursue a claim in court. • If funding cannot be made available PCC will remain liable under its current lease obligations to put into repair the roof structure and additionally install a suitable heating system. • The building is closed due to health and safety issues which will result in reputational loss.
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- 4.2 Option 2 – Provide the required investment to enable the specific items to be addressed which will enable a new lease to be signed by the CIO.

5. Preferred Choice and Reasons

- 5.1 Option 2: Provide the required investment and write off outstanding debt to enable the specific items to be addressed which will enable a new lease to be signed by the CIO.
- 5.1.1 Due to the issues specified above and the risk liability of said items it is recommended that PCC seek to provide funding in the region of £100,000 to replace the temporary heating system at the Community

Centre and will allow the separation of the school and community centre. Additional funding will be required to enable debt write off.

- 5.2 This will enable PCC to pass the liability for putting into repair the community centre under a full repairing lease to the community group who are best placed to seek grant funding to improve this Grade 2 listed building.
- 5.2.1 The provision of funding and the isolation of the two structures will allow PCC to dispose of the surplus school building and adjacent land. This has the potential to realise up to £100,000.

6. Sustainability and Environmental Issues/Equalities/Crime and Disorder,/Welsh Language/Other Policies etc.

- 6.1 A wide range of participants make use of the community centre for a variety of reasons which can be personal, social, medical and health related. The proposal outlined above protects the facilities currently enjoyed by the local community.

7. Children and Young People's Impact Statement - Safeguarding and Wellbeing

Not applicable

8. Local Member(s)

- 8.1 Local members have not been approached with regard this report and the proposals therein. However, the local member Cllr Darren Mayor who in his previous role as Portfolio Holder for Property gave his support to the local group taking responsibility for the property and governance of same.

9. Other Front Line Services

- 9.1 No front line services are directly affected by this proposal.

10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

- 10.1 The Capital and Financial Planning Accountant supports the proposal to install the boiler at the Community Centre. There are sufficient funds available in the Invest to Save fund to finance the scheme.
- 10.2 The Finance Business Partner confirms the outstanding debt is in line with the financial ledger and has been confirmed by both Schools and Regeneration Services.
- 10.3 The Professional Lead-Legal has no comment, on a legal services basis, to make on the recommendation in this report

11. Local Service Board/Partnerships/Stakeholders etc

11.1 Members should note that as part of the community facilities offered, the CIO has previously established a village Post Office which operates in the Centre on a number of days per week serving the local and wider community. A rejection of the proposal may negatively impact upon the ongoing provision of this service.

12. Corporate Communications

12.1 No proactive communication action required at this stage

13. Statutory Officers

The Strategic Director Resources (Section 151 Officer) notes the comments from Finance. It is noted that the proposal will also allow a capital receipt to be generated.

The Monitoring Officer has commented “I note the legal comment and have nothing to add to the report.”

14. Members’ Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
Approval of the virement from the Spend to Save Account of £100,000 to make good the two specific items as identified in 1.4 and 1.6 to enable a full transfer of the lease to the CIO to take place.	To enable the authority to withdraw from the current lease where by it is responsible for the full external maintenance of the property, whilst establishing a new full repairing lease in the name of the Community Interest Organisation

Relevant Policy (ies):			
Within Policy:	Y	Within Budget:	Y
Relevant Local Member(s):			
Person(s) To Implement Decision:	Regeneration Manager		
Date By When Decision To Be Implemented:	01.04.2017		
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