



## **Saxilby with Ingleby Parish Council**

### **St Andrews Community Centre options – final report**

**Report date: 2<sup>nd</sup> September 2024**

#### **LGRC Associates Ltd**

**Finance and Registered Office:** 2430/2440 The Quadrant Aztec West, Almondsbury, Bristol, BS32 4AQ

[info@lgrc.uk](mailto:info@lgrc.uk)

[www.lgrc.uk](http://www.lgrc.uk)



# Contents

1. Introduction and background
2. Precept information and comparisons
3. Recreation ground and community centre ownership
4. Custodian trusteeship
5. Community centre building
  - Rateable value
  - Operating costs
6. Professional reports
  - Report and valuation
  - Condition report
  - Roofing contractor report
  - Fire inspection report
7. Community centre users
  - Parish office
  - Library
  - Sports and Social Club
  - Meeting and function rooms
8. Alternative Parish Council office locations
  - Retail premises in Saxilby
  - Business units on Riverside industrial park
  - Former police station
  - Mill Lane playing fields – new build
9. Risks
10. Community consultation
11. Conclusion and recommendations



# 1. Introduction and background

## Project brief

The Council commissioned an independent feasibility study into leasing the community centre to cover consideration of existing provision and alternative solutions, including assessments of the financial, operational, legal, HR, equality and sustainability factors and associated risks.

## Parish Council

Saxilby with Ingleby Parish Council consists of 14 Councillor seats representing the local community of over 4,400 parishioners (*4,428 – 2021 census*). The village has expanded significantly (*population increase 21% 2001-2021*) with new developments and continues to expand with a new industrial zone recently completed.

The Council provides many services, facilities and activities within the community including a library, community centre, burial ground, public toilets, recreational and play areas, sporting facilities including football pitches, community projects and events, street furniture such as bus shelters and benches, parish grass cutting, litter picking, a dog (fouling) warden service and bin emptying.

A Neighbourhood Plan for Saxilby with Ingleby was formally adopted by West Lindsey District Council on the 8 May 2017 which now forms part of the development plan for its area. A review of the Neighbourhood Plan is currently being undertaken by the Parish Council.

The Council has a busy meeting schedule, holding monthly full council, planning and development, and finance and risk meetings, as well as personnel meetings, and working group meetings for the Neighbourhood Development Plan review, Multi-Use Games Area Working Group, and Saxilby Waterfront Working Group.

The Council currently employs 10 staff (full time equivalent 6.21) split between management/administration (2.44 fte), community centre (1.45 fte) and grounds team (2.32 fte).

## Recreation Ground Charity (previously Saxilby Sports Association)

The Public Recreation Ground Charity (no: 521978) is a small charity that is not able or interested in running the centre as it considers its role is to provide a recreation field, not to run the buildings on it.

The reported income for the charity has varied between £5 and £60 and expenditure between nil and £595 for the five financial years between 2018 and 2022, therefore the charity has very limited financial assets.

The charity does not own the recreation field.



## 2. Precept

Saxilby with Ingleby Parish Council precept has increased in recent years with a significant proportion allocated to the operation and maintenance of the community centre.

<u>Year</u>	<u>Precept</u>	<u>Band D</u>	<u>Tax base</u>
2024-25	£266,650	159.54	1,671
2023-24	£246,120	152.00	1,619
2022-23	£233,130	152.00	1,533
2021-22	£207,360	146.14	1,418

Comparative precepts for 2024-25 in West Lindsey District:

	<u>Precept</u>	<u>Band D</u>	<u>Tax base</u>
Gainsborough	£645,216	£129.03	5,000
<b>Saxilby</b>	<b>£266,650</b>	<b>£159.54</b>	<b>1,671</b>
Welton	£212,913	£130.25	1,635
Nettleham	£201,400	£122.82	1,640
Market Rasen	£171,232	£132.58	1,291

Within West Lindsey District Council area of 128 civil parishes, Saxilby with Ingleby has the second highest total parish precept for 2024-25 and the highest average Band D Council tax. The most similar tax base comparators are Welton by Lincoln PC and Nettleham PC.

Nationally, the average Parish Council Band D precept is £85.89.

An increase or decrease of +/- £10k in the precept for Saxilby results in a 4% change or £6.18 in the Band D equivalent charge.



### 3. Recreation Ground and Community Centre ownership

Whilst an investigation into the legal ownership of the community centre building is outside the original project brief for this report, it is a fundamental question that needs to be clear when considering any proposed lease. Historical legal advice on the ownership and management of the recreation ground has been provided by Anthony Clark and Co Solicitors in an e-mail response dated 31 January 2012.

**LGRC cannot provide any legal advice** but it is worth re-iterating some of the key points contained in the original conveyance and the subsequent legal advice.

After the First World War, the original indenture and conveyance dated 22 November 1920, conveyed the Memorial Recreation Ground:

*“...to the Council to be held by the Council as Trustees” ....as open public grounds for the benefit of the inhabitants of the Parish of Saxilby cum Ingleby and of the adjoining Hamlet of Hardwick and for the resort and recreation of adults and as playgrounds for the children and youth”.*

The subsequent legal advice received from Solicitors in 2012 confirms *“it is totally agreed that the ownership of the land falls with the Parish Council”* and therefore the land was registered by them with the Land Registry in 2012 in the Parish Council name (Title number LL299554).

*“However....the Council holds the land as public ground for the purposes of the Recreation Grounds Act 1859 and upon the terms and conditions contained in this Deed”*

The advice then confirms *“that the management and control of the recreation ground shall be in the hands of a committee of persons now accepted to be known as Saxilby Sports Association.”*

Therefore *“although the land is vested in the Parish Council it holds it on trust to act in accordance with the direction given by the Saxilby Sports Association”*

The legal advice then goes on to state that *“the question of ownership of the main community building has always been a matter of speculation in my mind although I have never been asked to formally address that point or advise on it”*

It is recommended that the Council legal advisors are instructed to provide advice on this specific point to provide clarity on the ownership of the community centre before entering into any lease, given that it appears that the Parish Council owns the land on which it is built.

**Recommendation 1:** The Council obtains legal advice to clarify the ownership of the community centre building before entering into any lease.



## 4. Legal

### Custodian Trusteeship

The Parish Council is currently regarded as the “custodian trustee” of the recreation field, as it owns and holds the land on trust to act in accordance with the direction given by the charity. This means that the Council holds the property but takes no decisions on its use as the administration or management is the responsibility of the management committee (in this case, the recreation field charity).

This is not the normal custodian trustee situation, which is when an asset is owned by the charity, and a Council takes the role of custodian trustee only because it is a corporate body which has a perpetual legal status and identity and is capable of holding charity property forever, whereas an unincorporated charity does not have its own legal identity.

However, in this case the recreation ground is owned by the Parish Council although it has no management responsibilities, therefore the position of the Council needs to be clarified in this situation.

In practice the role of the custodian trustee is very limited, but it does mean that it is a connected party in legal terms therefore transactions require the approval of the Charity Commission. If the Council decided it wished to enter into a lease or other agreement then this does mean a further complication, although it is unlikely Charity Commission approval would be withheld.

If the Council wished to simplify matters, then it may be able to give notice that it wishes to relinquish the role of custodian trustee in which case the Official Custodian would take on the role.

The Official Custodian is a corporation created by statute to hold land on behalf of charities; in practice a member of the Charity Commission’s staff is appointed to this role. Land may be vested in the Official Custodian by an order made by the commission using the provisions contained in the Charities Act

This would remove it from the complication of connected party transactions. The Council would need to take legal advice to confirm whether as the landowner they are able to appoint the Official Custodian as the Custodian Trustee, as this would make little operational difference but would remove any connected party legal hurdles.

### ***Recommendation 2:***

The Council should obtain legal advice to confirm whether it is legally a custodian trustee, and whether as the actual owner of the land it is able to appoint the Official Custodian as trustee. If so, it should relinquish its role as custodian trustee and request that the Official Custodian is appointed to avoid any related party conflicts.



## 5. Community Centre building

St. Andrews Community Centre is a two-storey building consisting of bar, library and changing rooms on the ground floor and function rooms, meeting rooms and parish office on the first floor. It appears to have been developed somewhat piecemeal over the years which has resulted in a layout that is not ideal. The centre suffered a serious fire in May 2020 which meant it was closed for several months.

### Rateable Value

The government Valuation Office Agency (VOA) compiles and maintains lists detailing the rateable value of commercial properties for business rates. It uses various methods to value properties, with a 'rental' method is most often used.

The VOA gathers information about rents paid for properties, analyses the information and works out a price per square metre. The price per square metre is then applied to the floor area of the property. Different parts of a property will have different relative values depending on floor level and type of accommodation.

The current rateable value (1 April 2023 to present) is **£16,000 p.a.**, although only **£14,218** relates to the community centre building.

The VOA valuation is split into the various areas of the community centre based on floor areas from the 2023 Rating list as set out below:

<u>Description</u>	<u>Area m<sup>2</sup>/unit</u>	<u>£ per m<sup>2</sup>/unit</u>	<u>Value</u>
Ground floor bar	148.4	£25.00	£3,710
Ground floor staff toilets	57.66	£12.50	£ 721
Ground floor clubhouse	40.8	£25.00	£1,020
Ground floor changing room	122.66	£16.67	£2,045
Ground floor kitchen	11.02	£16.67	£ 184
First floor clubhouse	132.04	£18.75	£2,476
First floor office	62.85	£12.50	£ 786
First floor office	21.81	£12.50	£ 273
First floor internal storage	7.36	£ 9.38	£ 69
First floor staff toilets	16.07	£ 9.38	£ 151
First floor clubhouse	<u>148.4</u>	£18.75	<u>£2,783</u>
<b>Total</b>	<b>769.07</b>		<b>£14,218</b>
<b>Additional</b>			
Bowling green	1	£1,500.00	£1,500
Hard surfaced, fenced land	154.7	£ 3.00	£ 464
<b>Total</b>			<b>£1,964</b>
<b>Total value</b>			<b>£16,182</b>
<b>Rateable value (rounded down)</b>			<b>£16,000</b>



## Operating costs

Analysis of financial information shows that the net (expenditure less income) annual costs of the community centre have been around £50k p.a. for the past 3 years (2023-24: £53,117). This represents over 20% of the precept being spent on the community centre.

A significant part of the running costs is the amount of Parish Council staff time that is spent running the centre (2023-24: £24,977), which includes the caretaking staff and an apportionment of 5% of the Clerk's time and other officer time.

Currently there are 4 staff employed to operate the community centre, equivalent to 1.45 full time positions (fte) - (1 at 20 hours per week (0.53 fte), 1 at 9 hours per week (0.24 fte), 2 zero hours contracts currently at 16.5 hours per week (0.44 fte) and 9 hours per week (0.24 fte).

The location of the office within the community centre inevitably means that other staff become involved in the day-to-day issues of the centre, therefore the 5% apportionment of officer costs appears a conservative estimate.

If the new lease was agreed at the proposed rental value of £18k, this would increase the precept by 7.5% or £11.12 on the Band D equivalent, which would mean community centre costs would represent nearly 30% of the precept, excluding any costs associated with capital expenditure on major repairs.

The building is also a heavy user of electricity and other utilities which are all paid by the Council. Future considerations should include the installation of solar panels. It may be worth considering commissioning a sustainability report for the centre which would make recommendations to reduce utility consumption and improve its carbon footprint.

Detailed spreadsheets analysing all costs and expenditure are available.

The Council has previously taken out 2 loans for a total of £120,000 from the Public Works Loan Board to finance improvements to the community centre. These loans have now both been repaid.

## Income

Rooms are available for hire at rates from £11 per hour consisting of the function room, youth club room, meeting room and bar area. Income from the hire of the community centre in 2023-24 was £10k.

The community hub library generates an annual revenue payment of £5,167 to the Parish Council from the County Council under a service level agreement.





## 6. Professional reports

### i) Report and Valuation

A Report and Valuation from Eddisons Surveyors dated 18 December 2023 under s.117 of the Charities Act addressed to the Public Recreation Ground Charity for the leasehold disposal of the Community centre proposes an annual market rental value for the community centre of **£18,850 per annum**. This is based on an assumed rental value of £3 per square foot for the ground floor (3,972 sq. ft) and £1.50 per square foot for the first floor (4,717 sq. ft).

The valuation is based on the potential rates achievable to let the building as private sector office space and includes a 40% discount to reflect the community nature of the proposed use under the lease.

The lease would also require that the tenants be responsible for maintaining and repairing the building as well as potentially contributing towards the upkeep and maintenance of common parts such as car parking. The charity would therefore be passing on the ongoing liability in terms of maintenance, repair and any public liability to any prospective tenant.

Informal discussion with another local valuer has confirmed that the proposed rental figure is not unreasonable but raised the issue that significant items of expenditure such as a new roof and fire escape may be required and whether the cost of these should be deducted from the rent over the period of the proposed lease.

However, the demand for office space in this type of building in the local area may be limited especially with more modern alternatives available locally. The community centre is an ageing and energy inefficient building that was not designed as office space, and with the current configuration it is likely to incur high conversion costs for any prospective tenant. Given the alternatives of more modern purpose-built buildings such as on the nearby business park, the ageing high maintenance community centre would not appear to be an attractive proposition as office accommodation.

There appears to be limited scope for splitting the building into separate smaller units as the current configuration of the entrances and utilities means that significant conversion work and new service connections would be required

Furthermore, this valuation also states that “*the Community Centre was generally found to be in a good condition, both internal and externally*”. This is contradicted by the condition survey which highlights some key problems with the state of the building, especially the roof, which may require significant expenditure to rectify.

It is possible that the proposed amount of the annual rent could be open to negotiation, although the full repairing nature of the lease may be the greatest liability.



## ii) Condition report

A schedule of condition report on the community centre was prepared by Lincolnshire Surveyors Ltd on 15 April 2024.

The most concerning observations were in respect of the roof and the front elevation rainwater goods:

*“A full independent inspection of the roof should be carried out. A brief inspection has been carried out by an independent contractor who indicates that the roof covering is of a form of tile that is discontinued due to significant failings and short life expectancy. The roofing contractor found some cracked and loose tiles that are not immediately obvious and has said a full inspection is required as the roof may require imminent replacement and is likely to be leaking in its current condition.”*

It is apparent that the guttering has significant leaks during rainfall.

*“Rainwater goods of PVC construction..... uneven and distorted in places”*

Other issues are raised in the report relating to some fire doors being unlikely to meet current requirements, the fire escape staircase rusting and reaching the end of its usable life, and areas needed redecoration.

## iii) Roofing contractor report and quotation

An inspection report and quote has been obtained from EMS Roofing Specialist in May 2024. It should be noted that this report is from a roofing contractor and not an independent structural surveyor.

This report states that the roof *“appeared to have 15-20% missing or broken tiles... this is a serious problem for the upkeep of the building as water ingress and wildlife could quite easily get into it and cause further damage or disruption to the building”*.

It further notes that *“25% of the guttering and guttering brackets have snapped causing the existing guttering to sag ...obstructing water flow away from the building”*.

The roof inspection from the inside (boiler room) states there *“appeared to be no eaves insulation with day light visible looking from the inside looking out. There is no party wall fireproofing which slows down the potential risk of fire spreading across the building if there was another fire”*.

This firm's estimate for the remedial work was £67,860 + VAT (Total £81,423). Further estimates/quotes would be required if the Council was to proceed, but this gives an indication of the scale of potential expenditure.



**Recommendation 3:** To ascertain the scale of maintenance and repair costs it is strongly recommended that the Council commission its own independent structural survey of the building by a professional surveyor before entering into any lease. This should quantify the scale of any problems and estimate costs associated with any remedial works.

#### **iv) Fire inspection report**

The fire risk assessment report of 15 May 2024 undertaken by First Call Fire Risk Assessments highlighted some medium risk areas in respect of the building with remedial action recommended within 3 months.

This included the need to provide fire doors/partition at the base of the staircase to the library to enable another escape route from the first floor, replacement of the fire exit door from the ground floor bar to the front of building, and the potential replacement of the sliding fire escape door at the main entrance

It also recommended as a medium priority a full survey of compartment walls and floors as some of the fire-resisting areas have been compromised.

A further recommendation was the covering of the metal fire escape staircase from the first-floor function room (although not essential).

#### **Car Park**

The car park is shared by users of the community centre and recreation ground. There are maintenance costs of the parking area, with the main cost likely to be its eventual resurfacing as the current surface reaches the end of its life, which would be a significant amount.

#### **Building improvements**

A significant amount of work has been recently undertaken to improve the building including uPVC windows throughout, loft insulation, installation of LED lighting, refurbishment of changing rooms and library (following fire), refurbishment of upstairs ladies toilets, re-decorating of bar area, re-decorating of meeting room, new fire doors upstairs.



## 7. Community centre users

### 1. Parish Office

The Parish Office is currently located on the first floor of the community centre but is far from ideal as an office visited by members of the public. It is difficult to access as it requires the downstairs doors to the whole centre to be open and is then upstairs (lift available) and down a corridor.

The office has insufficient space and no room for expansion and is not currently suitable for visiting by members of the public. There is no separate public area which means that members of the public are free to wander in and around the office and desks which leads to serious concerns about data protection as screens and documents on desk can easily be seen by the public, and also the safety of members of staff as there is no segregation. This is particularly a concern in terms of lone working which is a frequent occurrence.

If the outcome of the review is for the parish office to remain in the community centre, then it is recommended that a complete redesign of the parish office is required. Sufficient space is required to achieve the recommended level of staffing for the size of council and growing parish and to ensure the Council fulfils its legal duties as an employer to provide a safe place of work and comply with relevant legislation.

**Recommendation 4:** If the Parish Office remains in the community centre building, then it requires either relocating within the centre or redesigning. A cost estimate for the necessary works should be obtained.

### 2. Library

The library is currently run by the Parish Council and staffed by volunteers as a community hub under an annual Service Level Agreement from Lincolnshire County Council which is reviewable annually. It is open for 13 hours per week across 4 days, and averages over 130 active users per month. This generates an annual revenue payment of £5,167 to the Parish Council whilst it remains operating as a community hub for a minimum of 6 hours per week for 50 weeks per year.

The library fits well into the community centre on the ground floor, and ideally would remain in this location. However, it could fit equally well into an alternative location that has sufficient room for the shelving and books and a suitable IT connection. The key requirement would be a central location for ease of access, especially as both the volunteers and many library users represent an older demographic. This should be considered as part of the public sector equality duty to review whether this group would be disproportionately affected by any changes.

If suitable alternative premises could not be found then enquiries could be made about the potential for visits by a mobile library, although this would provide a reduced service from that currently available.



Decisions on the mobile library service and its operation and frequency would be responsibility of Lincolnshire Libraries (service operated by Greenwich Leisure Ltd).

**Recommendation 5:** Consider how the library could either remain in the community centre or what alternative locations/premises would be suitable. Enquiries should be made with the County Council about the options for relocation and continuation of the community hub or the options for alternative provision such as a mobile library.

### **3. Sports and Social Club**

The Sports and Social Club (Sports Hub) rent the bar and social club facilities on an hourly rent from the Council as and when booked, similar to the room hire arrangements with the Council responsible for the premises and the caretaking.

Leases for parts of the recreation field have been proposed by the charity with various sports clubs.

### **4. Meeting and function rooms**

The meeting rooms are currently used for Council meetings which provides a central venue with parking, and the function rooms provide a central venue for use by community organisations such as the youth club, carpet bowls and for private hire.



## **8. Alternative Parish Council office locations**

### **i) Retail premises in Saxilby**

The village has a few shop/retail units which become available from time to time,

At the time of this report there is an outlet available at 55 High Street, the former 'Duck Egg Blue', which was previously a gift shop and café. This 1950's building has 480 sq. feet of ground floor retail space with a store/kitchen and WC. Externally, there is only a single car parking space.

The first floor is a separate self-contained 3-bedroom flat which is separately accessed and let on an assured shorthold tenancy at a rent of £525 per month.

The ground floor is available to rent by way of a full repairing lease for a minimum term of 5 years at a price of £8,500 p.a (£708 p.m.).

The premises including the first floor flat could be purchased for £220,000.

Whilst outlets such as this have the advantage of being centrally located in the village, shop front premises are not ideal for a parish office, especially as the parish office currently has only limited opening hours for the public.

There would also be significant fitting out and conversion costs as the buildings have not been designed to be used as modern offices, and the maintenance and energy efficiency problems associated with older buildings would continue.

There is no parking and a separate venue would be required for Council meetings.

### **ii) Riverside Enterprise Park - Business units**

Riverside Enterprise Park is a 7.6 acre development situated over the A57 trunk road from the village centre. The new units have the advantage of being modern and purpose built with an adaptable space and would make a good office space.

However, being located across the A59 they are separate to the main village and require transport to access. This would give a parish office a feeling of remoteness on what is essentially an industrial/business estate and would disadvantage visitors to the parish office without transport.

It would be necessary to rent a separate facility to hold Council and committee meetings.

The units are available as a freehold purchase, or to rent on a full repairing and insuring lease. A service charge may be levied to cover the upkeep, maintenance and repair of all common parts of the development.

A unit would be 2,000 square feet – a recent purchase price was £340,000 or alternatively an annual rent of £21,000 p.a.



The units are profile clad steel portal frame construction, concrete floors and bare faced block walls with the look and feel of industrial units, therefore they would require fully fitting out to be usable as an office space. All services are fully connected and there is parking for 5 vehicles.

The location outside of the village means that this would not be a long-term solution but could be considered on a temporary basis.

### **iii) Former police station, William Street**

In terms of location and size, the unoccupied former police office on William Street appears to be suitable and has parking outside. It is centrally located and near to the current community centre, although without viewing the building internally conversion costs are unknown.

The building has currently been “mothballed” with the police stating that the building is still available to them but is not currently being used because of the police deployment model, with a final decision yet to be made about future use.

However, given that the future of the building is undecided it is not currently an option although this may change in the future.

### **Council meetings**

The above options would all require a venue to be hired for Council meetings, most likely Saxilby Village Hall which provides meeting room hire (although the room is upstairs without a lift) and has car parking.

If Saxilby Village Hall was hired for Council meetings then the cost would be £12 per hour – based on 4 meetings per month of 2.5 hours would cost £1,440 p.a. The Church Hall would cost £9 per hour on the same basis, £1,080 p.a.



#### iv) **Mill Lane playing fields – new building**

The Council currently owns the Mill Lane football pitches where there is an existing brick building for changing rooms and a separate parking area. The Council Grounds team are based at this site with workshops and storage for plant and machinery.

The location is in the village and accessible by walking and car.

It would be possible to consider a new building and facility at this location as the Council already owns the freehold to the land. It would also bring the Council operations together on a single site.

The options would be to replace the existing changing rooms and build a new facility to incorporate modern changing rooms on the ground floor and a parish office and meeting room/s on the first floor, or alternatively to construct a separate new building in the current parking area for the parish office. Depending on size and cost this could also incorporate a meeting room for Council and other meetings and room for the library or other facility.

Both options would require planning permission and architect's drawings to be developed depending on the size and design required by the Council. Given the central location, existing buildings on site and community nature it would be hoped that planning permission would not be a problem.

This would be a major project and would require the Council to invest significant funds which is likely to require Public Works Loan Board (PWLB) borrowing, although at the conclusion the Council would own a new purpose-built facility of a modern design and energy efficiency which stands on its own land. This means that no rental payments would be needed and a modern building would have much lower running costs and initially few maintenance costs in the early years.

As an example, using a market construction cost of £2,500 per square metre, then a building of 70 sq. metres would cost c. £175,000. *(These figures are used for illustration purposes only and are not an accurate estimate).*

Current PWLB borrowing rates are in the region of 4.75% dependent on loan term.

It is beyond the scope of this report to attempt to estimate or approximate costings for the building project as it would need detailed architect design drawings and then cost estimates from a quantity surveyor and building firms. This would be the next phase of the project if the Council decided it wished to explore or pursue this option further.

It is likely that such a project would take at least 12 months to complete and therefore it may be necessary to install a temporary facility for the parish office such as a Portakabin or timber framed building which could be placed on the current parking area. Alternatively, it may be possible to continue using the community centre on a short-term lease until the project is completed.





A basic 20 ft office container would cost £95 per week to rent plus delivery and collection (£895 each) meaning £6,730 for 12 months plus connection to services in the main building at Mill Lane. It may be more economical to hire a toilet block (£12,740 p.a), as proper facilities must be provided to comply with the Health and Safety at Work Act. Alternatively a second-hand container could be purchased.

If this is a route the Council wished to consider then it is recommended that it should initially obtain pre-planning advice and consult an architect over possible designs which would enable a business case to be constructed and feasibility study to be undertaken.

Whilst it may appear complex and expensive in the short-term, it could provide a long-term solution for the Council for many years by establishing a purpose-built facility owned and managed by the Council situated on its own existing land.

### Risks

- A detailed specification would need to be agreed
- Planning permission may not be granted
- The project could overrun both on budget and time
- Temporary office buildings would be required which would require set-up



## 9. Risks

- **High levels of expenditure by the Council on the community centre lead to increasing levels of annual precept payable by local residents.**

The financial risk to the Council is that community centre continues to incur high amounts of expenditure on maintenance and operating costs whilst still providing less than ideal premises.

If a full repairing and maintaining lease is the only option then high levels of future expenditure can be expected, both in terms of major structural repairs and ongoing maintenance costs on an ageing building.

This could perpetuate a problem for many years into the future and the same debate may be had by the next generation when a further lease may be required.

- **Future of centre if not operated by the Parish Council**

The Recreation Ground Charity in its current legal structure is not able or interested in running the centre as it is a small charity with a very low reported income.

### Community Group operation

It may be feasible for a community group to form and run the community centre, although the major hurdle would be the significant maintenance and repair costs currently required which given the size and condition of the building may be considered onerous.

A community group could reduce the running costs as it could potentially use volunteers and not incur staff costs, although it is likely that a caretaker would still need to be employed. Business rates would not be payable by a community group and there would be the opportunity to apply for various grants not available to the Council. This would require a level of time and expertise although advice and support would be available through West Lindsey Voluntary Centre Services.

The Charity may be prepared to consider a lower level of rental payments and perhaps a less onerous lease if it was to a community group, similar to some of the proposed leases for the use for the recreation field by sports clubs. However, the charity will always need to cover its costs and pass on costs such as insurance premiums.

The Parish Council would be able to make an annual grant to the community group to offset some of the costs if it so decided.

Whilst a community centre run by the community for the benefit of the community sounds attractive, this model is usually seen for smaller undertakings than the size of this community centre, which given its size, age condition and future costs would be a major undertaking. Any community group would need to enter into a lease with the charity which would commit them to a high level of rent and maintenance costs.



It is recommended that the Parish Council make enquiries as to whether any suitable community group may be interested.

### Potential other tenants

The valuation has been based on use as office space, but again given the age, layout, and condition of the centre then it seems unlikely to be attractive to prospective tenants especially given the more modern and accessible buildings in the new business parks.

If another tenant could not be found and no community group was willing to take on the management of the centre there is a risk that ultimately it may have to close.

If the facility closed completely and it was established that it was built by the Parish Council on charity land, there is a possibility that the charity could ask that the Council remove the building and restore the site to a recreation field.

- **Future of library**

If the Parish Council decided to vacate and move away from the community centre then alternative premises may need to be found for the community hub library or the library may close.

The Council could seek to accommodate the library in any new premises that it acquires or designs, alternative premises within the village could be considered, or the service could potentially be replaced by a mobile library.

A mobile library would provide a reduced service and the Parish Council would lose the £5k annual income under the service level agreement with the County Council.

The aim should be to retain the library in its current form (although potentially in a different location), as a reduction in service may adversely affect older residents therefore the Council would need to consider whether this group would be disadvantaged under the public sector equality duty.

- **Human Resources**

There are currently 4 staff members employed to operate the community centre (1.45 full time equivalent), although 2 of these are zero hours contracts. If the Council ceased to operate the community centre these staff could either be transferred across to a new operator under TUPE legislation ('Transfer of Undertakings (Protection of Employment) Regulations), or if the roles ceased to exist then the Council would need to consider any potential redeployment or there would be a potential redundancy situation.



- **Reputational risks**

Parish councils are the first level of local government which provide communities with a democratic voice and a structure for taking community action. They aim to represent the local community, deliver services to meet local needs and to improve quality of life and community well-being.

Therefore elected Councillors will want to consider its reputation of the Council in the community and how well they are achieving the Council's aims and objectives.

The community centre has been and continues to be the source of tensions and disagreements, both within the Council chamber and in the wider community, which can adversely reflect on the Parish Council as the organisation running and managing the centre. Any issues with community centre have a tendency to be seen as the responsibility of the Parish Council, and if the Council continues to lease the centre then this position is likely to continue.

The level of the parish precept payable by local residents is also impacted by the costs of the community centre; given the already relatively high precept in comparison with other parishes in the District, this affects the reputation of the Council. It may cause further dissatisfaction if the precept needs to be further increased due to the costs of the community centre, especially by those residents who do not use the facility and consider that other projects are not being progressed.

If the Council was no longer involved with managing and financing the centre and reduced its costs then it is possible that the reputation of the Council would improve. However, if the community centre was closed it is possible that the Council may be blamed by residents for what is seen as a loss of a valued community facility.

It is important to arrive at a resolution to the issue of the community centre as it has become the dominant time-consuming item of Council business, potentially to the detriment of the Council's wider responsibilities and provision of other services and facilities to the wider community.

It is also consuming a disproportionate amount of officer time.



## 10. Community consultation

A community survey took place at the start of 2020 to find out residents' views of what council services and facilities were important or unimportant to them to help shape service provision. Residents would be asked for their views on how they wanted to see their Community Centre and whether they would like to see the continued provision of a bar.

Over 1,000 responses were received. There was strong support for the provision of a community centre (83%), along with room hire (77%). Seven in ten respondents felt the provision of a library was important or very important. Whilst around six in ten respondents felt the provision of changing rooms was (62%) important or very important, compared to 60% for the Pavilion Bar

A community consultation has been proposed for August 2024 to gauge community views as to whether residents thought that the community centre should continue to be run by the Parish Council at an increased precept, or whether the Parish Council should cease to operate the centre and potentially reduce the precept.

The objective of the consultation is to gauge and understand the views of the community and level of engagement to assist with the decision making of the Council – whilst the Council will take views expressed into account it is not designed to be a referendum and will be one of several considerations.

Currently the Council has been unable to agree wording of the latest consultation, therefore it has not yet been distributed and any responses do not form part of this report.

**Recommendation 6:** The community consultation should be agreed and undertaken as soon as possible to gauge and understand the views of the community to assist with the decision making of the Council.



## **11. Conclusion and recommendations**

It is apparent that the legal position in respect of the community centre ownership is still unclear, as the ownership of the recreation field is vested in the Parish Council but not its management and operation.

Therefore before proceeding with any lease, it is important that the Council obtains legal advice to understand the ownership position of the centre and its rights and responsibilities as owner of the recreation field.

The Public Recreation Field Charity is the management committee responsible for decisions on the management and operation of the field, but that appears the extent of its role.

LGRC has not been asked to provide a legal view on ownership and cannot provide legal advice, however whilst the report brief was to provide a feasibility study into options for the community centre, the ownership position is fundamental to understanding the position in respect of the proposed leased and the various options.

Detailed financial comparisons cannot be made until the full extent of repairs required to the community centre over the medium term are known, and detailed estimated costs of a new build at Mill Lane are established.

The options therefore narrow down to two main strategic options with operational actions underneath them.

### **Option 1**

The Council continues to finance the operation, repairs and maintenance of the community centre as a worthwhile community facility despite the increasing costs and enters into a lease agreement with the charity.

- The Council should negotiate with the charity on the rental and terms of the lease, given the lack of other potential lessees.
- Future likely expenditure should be quantified through professional surveys, with this amount set against the annual rent payable for the duration of the lease: e.g. £100k expenditure would result in £10k rent reduction for 10 years.
- The current parish office is not fit for purpose and should be reconfigured and increased in size.
- The building needs to be made more energy efficient and sustainable.

### **Option 2**

The Council decides that new custom designed premises would be preferable to provide modern and efficient purpose-built Council offices and facilities on Council owned land at Mill Lane to provide a long-term solution for the Council and the community.



This would involve designing and building accommodation on the Mill Lane playing fields site which is already owned by the Council and from where the grounds team currently operates.

- First stage would be to commission architect drawings, obtain pre-planning advice, and then obtain building contractor quotes.
- Construct business case and feasibility study
- Planning permission and building regulations would need to be obtained
- It is likely Public Works Loan Board borrowing would be required
- A decision would be required on whether to remain in community centre during construction or arrange for a temporary building on the site until the new project is completed

Ultimately any decision will also be a political decision.

The objective of taxation is often to provide facilities and services that the commercial sector would be unwilling to provide, whilst maintaining a financially prudent level of expenditure.

Whilst a private sector organisation may decide a course of action purely on financial grounds, a local council needs to weigh up community views and the benefits of providing a community facility against the level of costs and local taxation required to finance it.

The logical financial and long-term solution (prior to detailed cost estimates) would be to move and develop new premises at Mill Lane. This would provide a long-term solution of modern more sustainable and efficient premises which would be custom designed and would prevent the community centre debate being constantly revisited.

However, the council needs to assess and make a judgment on the community benefit against continuing to finance the potentially significant costs of the community centre building, which will be influenced by the views of residents including the planned consultation.



## Summary of Recommendations

**Recommendation 1:** The Council obtains legal advice to clarify the ownership of the community centre building before entering into any lease.

**Recommendation 2:** The Council should obtain legal advice to confirm whether it is legally a custodian trustee, and whether as the actual owner of the land it is able to appoint the Official Custodian as trustee. If so, it should relinquish its role as custodian trustee and request that the Official Custodian is appointed to avoid any related party conflicts.

Subject to the outcome of the above, the various options have been considered and discussed in the report above.

Recommendations that should then be undertaken prior to a final decision:

**Recommendation 3:** To ascertain the scale of maintenance and repair costs it is strongly recommended that the Council commission its own independent structural survey of the building by a professional surveyor before entering into any lease. This should quantify the scale of any problems and estimate costs associated with any remedial works.

**Recommendation 4:** If the Parish Office remains in the community centre building, then it requires either relocating within the centre or redesigning. A cost estimate for these works should be obtained.

**Recommendation 5:** Consider how the library could either remain in the community centre or what alternative locations/premises would be suitable. Enquiries should be made with the County Council about options for the potential relocation and continuation of the community hub or the options for alternative provision such as a mobile library.

**Recommendation 6:** The community consultation should be agreed and undertaken as soon as possible to gauge and understand the views of the community to assist with the decision making of the Council.

