

## Appendix B

### Management options for BM Community Centre and Health Care Hub

The following options are considered for the operation of the community centre:

**A) The community centre could be leased to Binfield Parish Council.**

In line with the Executive decision in 2014, the Council's preference is for Binfield Parish Council to operate the community centre under a long lease. A presentation to the Parish Council was made on 13 August 2019 updating them on the key features of the current ADP scheme. If the Parish Council were to act as a provider, we will work with them to develop the design in the next stage.

The lease arrangements would need to be considered; it is likely to be a long-term lease. Service charge and maintenance responsibilities will need to be agreed. The Parish Council would need to consider business rates and tax rules. The Parish Council could sub-let to a community association to manage.

In case the Parish Council does not want to be a provider of the community centre, other options would be reviewed. These include:

**B) A lease to and managed by a third-party organisation** (e.g. a church group, a Charitable Incorporated Organisation, a charitable company or a Community Interest Company - a non-charitable limited company). A CIO, a charitable company and a CIC are corporate bodies, so generally, its trustees/members aren't personally liable for what it does.

As with Option A above, the lease arrangements would need to be considered and a service charge will need to be applied. A third-party organisation may be able to apply for grants that a parish council or local authority cannot. Depending on the set up of the third-party organisation, they may be eligible for rates relief.

**C) A lease to a charitable community association.** A community association is an unincorporated body, so the trustees are personally liable for what it does. However, such unincorporated associations are advised to obtain charitable status, as there are various advantages, including the general principle that trustees have a right of indemnity from the trust fund for liabilities that they incur as trustees, provided that they have acted properly and within the scope of their powers.

It is not the current practice for the council to issue repair and maintenance leases to community associations running our community centres. However, the council may wish to consider doing so for Blue Mountain if no alternative operator is identified. The community association would be eligible for rates relief.

It is probable that a lot of work would be needed to set up the charity and support them in their early years managing the centre. The community association would need to provide proof that their annual income is above £5k in order to register as a charity and take on the lease. This would require a grant from BFC as the CA cannot earn any income until it takes on the lease. The community association would rely on being able to find enough volunteers to keep the centre going. If at any point there are insufficient number of volunteers, the building could become Council's responsibility to manage.

**D) Manage the community facility in-house.** The Council currently only manages one community centre in-house, which is Coopers Hill. A feasibility would need to be undertaken to assess the viability of managing the facility which would include staffing, and caretaking costs, business rates, running costs and maintenance costs set against

the potential income for the facility. During the first 10 years we would expect maintenance costs to be minimal.

Operating the facility in-house by the Council will create a business rates liability which would not be payable by a charity, however, there may be some additional benefits to the Council of utilising the accommodation to meet service requirements; these would need to be explored.

In all the above options, we need to review the appropriate lease arrangements and the level of service charge and lifecycle maintenance cost/reserve fund that would need to be applied which would provide the best outcomes for all parties. More work will be done in the next period and we will report to the Executive in due course.