

Subject:	AWARD OF GRANT FUNDING – TRIANGLES COMMUNITY CENTRE
Meeting and Date:	Cabinet – 14 January 2019
Report of:	Mike Davis, Strategic Director (Corporate Resources)
Portfolio Holder:	Councillor Michael Conolly, Portfolio Holder for Corporate Resources and Performance
Decision Type:	Non-Key Decision
Classification:	Unrestricted
Purpose of the report:	To seek agreement to provide a grant to St Radigund's Community Centre Company to help fund repairs to the community centre.
Recommendation:	<p>To approve payment of a grant in the sum of £150,000 to St Radigund's Community Centre Company subject to:</p> <ul style="list-style-type: none"> i) Conditions being attached to the grant requiring it to be used to pay for repairs to the community centre building to be agreed with the Council and to be delegated to the Director of Environment and Corporate Assets, in consultation with the Portfolio Holder for Corporate Resources and Performance; ii) The proposed development of interim housing on the Triangles land being granted planning consent; and iii) The lease on the land shown hatched on the plan attached at Appendix 1 being surrendered to the Council for £1.00.

1. Summary

- 1.1 Cabinet is asked to approve the provision of a grant in the sum of £150,000 to St Radigund's Community Centre Company ('the Charity') subject to conditions. The St Radigund's Community Centre Company is a registered charity with the Charity Commission.
- 1.2 Cabinet has approved a project for the building of new interim housing on land adjacent to the Triangles Community Centre (Triangles Land) in St Radigund's, Dover. The land is currently leased by the Council to the Charity. It is anticipated that occupants of the new homes would use the community centre facilities and services. However, a number of essential repairs are currently required to the community centre building which the Charity occupies on a full repairing lease. If these are not carried out there is a risk that the centre may cease to operate and responsibility for the centre would revert to the Council. This report therefore recommends that the Council provides a grant of £150,000 to the Charity on condition that the money is used to undertake these repairs. This will help to ensure that the centre can continue to be available for use by both new and existing residents in the area. In return the Charity has been asked to agree to surrender all the land, as shown outlined and hatched on the plan attached at Appendix 1, back to the Council so as to enable the proposed interim housing development to proceed.

- 1.3 The grant is dependent upon, and will be paid at the point there is, an appropriate level of certainty that the proposed development will proceed, i.e. upon planning consent being granted and agreement by the Charity to the transfer of the land. It is recommended that the decision on when to pay the grant, any phasing, and conditions should be delegated to the Director of Environment and Corporate Assets, in consultation with the Portfolio Holder for Corporate Resources and Performance.

2. Introduction and Background

- 2.1 Cabinet has already approved projects for the development of interim housing on council-owned land at Kimberley Close, Dover; Stockdale Gardens, Deal and land adjacent to Triangles Community Centre, Barwick Road, Dover. Cabinet has also authorised the Director of Environment and Corporate Assets, acting in consultation with the Director of Finance, Housing and Community and the Portfolio Holder for Built Environment, to take the necessary decisions to progress the projects to the construction phase including, where necessary, the acquisition of land that will be required.
- 2.2 The Triangles Land is currently leased to the Charity on a 125 year lease with 111 years remaining. The Cabinet report seeking approval of the Triangles project advised Members that while there are no rights reserved in the lease for the Council to either lease or take back land from the Charity, initial discussions had indicated that they would be willing to work with the Council to try and deliver a viable housing scheme.
- 2.3 Over the intervening period there have been a number of meetings with the Trustees to try and agree the principles of a mutually acceptable agreement that would enable the development to be progressed while addressing concerns about the condition of the community centre building. It is recognised that the proposed new development of 35 interim housing units on the Triangles Land will have an impact on the centre and that new residents will benefit from the facilities and services it provides. Consequently, helping to ensure that the centre can continue to operate as a viable community facility will be of benefit to the new development as well as the existing local community.
- 2.4 The property has not been adequately maintained and the financial resources available to the Charity to undertake the accumulated backlog of repairs are limited and, as the owner of the freehold of the building, the Council would be faced with the prospect of finding a new lessee in the event that the current lease was terminated for any reason. Consequently, the Council has a vested interest in making sure that the building is maintained in a satisfactory condition.
- 2.5 Trustees have indicated that the payment of a grant would be a satisfactory arrangement and that a sum of £150,000 would be acceptable. The grant offer, albeit conditional, would enable the Charity to submit bids for other external grant funding on a match-funding basis, thereby potentially enabling a much greater level of investment in the repair and improvement of the centre.
- 2.6 While discussions with the Charity have been taking place work has continued in relation to progressing the development project.
- 2.7 Currently, it is anticipated that a planning application for the new development will be submitted around July/August 2019. The Charity has indicated that the timing of the grant payment related to this anticipated planning timescale would be acceptable as they will be able to use the period of time to prepare bids for additional external grant funding.

- 2.8 The Council has provided a letter of intent regarding the proposal to provide a grant as outlined above and is currently waiting for a similar letter from the Charity regarding the surrender of the land.

3. Identification of Options

- 3.1 Option 1: Not to agree the payment of a grant of £150,000.
- 3.2 Option 2: Agree to the payment of a grant of £150,000, payable once planning consent has been obtained in return for the surrender of the land. The grant to be paid subject to conditions as to how it should be used, as agreed by the Director of Environment and Corporate Assets, in consultation with the Portfolio Holder for Corporate Resources and Performance.

4. Evaluation of Options

- 4.1 Option 1: It is expected that this would result in the Triangles Land being retained by the Charity. Consideration of potentially suitable sites for the type of development proposed has already been carried out and it is considered that the three sites identified represent the most suitable sites in terms of location. We are ready to start site survey work and the contractor procurement stage of the project. While the procurement will allow flexibility for one or more schemes to drop out, it would be difficult to add new sites into the process. The inability to progress the Triangles site would result in a significant reduction in the overall number of units we are aiming to deliver and is likely to increase the unit cost of the remaining units. This option would also require the Council to consider other measures that would be required to deal with the repairs required to the centre building. Consequently, this option is not recommended.
- 4.2 Option 2: The proposed payment of the grant would be conditional on successful planning consent being obtained for the Triangles Land, on the surrender of land required to enable the development of new interim housing and the grant money being used to carry out repairs to the community centre. It will protect the Council's interests in relation to the building and help to ensure that it can continue to provide services to both the new development and existing local community. This is the recommended option.

5. Resource Implications

- 5.1 The grant would be paid from the General Fund but once the land is in the Council's control it can be appropriated by the Housing Revenue Account (HRA) within a corresponding payment from the HRA to the General Fund.
- 5.2 A budget provision has already been made within the Medium-Term Financial Plan for the interim housing project to fund the interim housing development.

6. Corporate Implications

- 6.1 Comment from the Section 151 Officer: Finance have been consulted on this report and have no further comments to add. (HL)
- 6.2 Comment from the Solicitor to the Council: The Council's Commercial Solicitor has been consulted during the preparation of this report and has no further comments to make.
- 6.3 Comment from the Equalities Officer: 'This report does not specifically highlight any equality implications, however in discharging their duties members are reminded to comply with the public sector equality duty as set out in section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15> '

6.4 Other Officers (as appropriate): None received.

7. **Appendices**

Appendix 1 – Plan showing land to be surrendered for the development

8. **Background Papers**

None.

Contact Officer: Paul Whitfield, Head of Strategic Housing Ext 42258