

Community Hubs

All

Cabinet Portfolio:

Cabinet Member Communities and
Equality: Councillor Lorna Campbell

Cabinet Member for Finance & Resources
Councillor: Paul McGlone

Report authorised by:

Executive Director Adults and Community
Services: Jo Cleary

Executive Director Corporate Resources:
Mike Suarez

Executive Summary

This report follows the end of public consultation on the recommendations from the Cabinet meeting 12th December 2011. The report sets out the strategic vision for community hubs, which will provide safe spaces for residents, community groups, social enterprises and small and medium sized enterprises from which they can operate and deliver services. They will provide a home where community growth, community action, volunteering and enterprise will flourish. This will be delivered within the following framework:

- £450,000 will be invested to kick start the community hubs programme. This will result in 25 new offices and 30 new 'hot desk' units being established over the next 2 years for local community groups and small enterprises to rent.
- A community asset plan will generate capital receipts of approximately £7m over the next 4 years to secure reinvestment into the community hubs network which will include libraries which will be transformed into community hubs and continue to offer a library service to their local communities.
- Subject to the delivery of the community asset plan, a £1m challenge fund will be established in 2014-15 aimed at community-led proposals, which extend or further develop the community hub network.
- Where capacity exists, community assets will be transferred into community ownership in a long term sustainable way through a revised community asset transfer policy.
- £160,000 over two years to be invested in community capacity building to support communities to build the required skills, knowledge and expertise to manage assets.
- An initial asset transfer programme of council owned property to the local voluntary and community sectors valued at £1.6m will be instigated and explored in 2012-13.
- Community hubs will provide resource centres for local voluntary and community sector groups.

Summary of financial implication

If successfully delivered over the next four years the plan will generate £11.5m of capital receipts for reinvestment, whilst at the same time secure, or invest up to £18m of assets into the community hub programme. The success of the programme will be determined by market conditions for the sale of assets. It is proposed that an estimated £7m of the generated capital receipts is invested in libraries, community hubs and a cooperative community hubs challenge fund. If the full asset disposal plan is achieved it could result in an estimated loss of £282,000 rental income per annum which will accumulate over the four year period of the asset sale plan. This will be taken into account as part of the Service and Financial Planning process. A phased programme to spend £450k of transitional funding is proposed to be invested in community hubs.

Recommendations

Cabinet is asked to consider the following recommendations:

1. Agree the strategic vision and direction for the development of the community hubs network as set out within the report.
2. Agree the community asset plan.
3. Agree for consultation the draft framework for a revised community asset transfer policy and report back to Cabinet in September 2012.

Consultation

Name of consultee	Department or Organisation	Date sent	Date response received	Comments appear in report para:
Internal				
Jo Cleary	Executive Director Adults' and Community Services	13/6/12	15/6/12	Throughout the report
Adrian Smith	Divisional Director Culture and Communities	13/6/12	18/6/12	Throughout the report
Maria Millwood	Divisional Director Resources ACS	13/6/12	15/6/12	Throughout the report
Peter Hesketh	Assistant Director Resources ACS	13/6/12	15/6/12	Throughout the report
Guy Ware	Divisional Director Corporate Resources	13/6/12	18/6/12	Para 7
Sophia Looney	Divisional Director Policy, Equalities and Performance	13/6/12		
Uzo Nwanze	Head of Asset Strategy	13/6/12	25/6/12	Throughout the report
Alison Young	Divisional Director Planning, Regeneration and Enterprise	13/6/12		
Sandra Morrison	Divisional Director Children and Young Peoples Service	13/6/12	15/6/12	Throughout the report
Ann Corbett	Head of Community Safety	13/6/12	18/6/12	Para 10
Valerie Dinsmore	Head of Policy, Research and Customer Relations	13/6/12	18/6/12	Throughout the report
Chris Sipidias	Head of Community Hubs- Culture and Communities	13/6/12	18/6/12	Throughout the report
Charlotte Evans	Head of Active Communities – Culture and Communities	13/6/12	18/6/12	Throughout the report
Gareth Edmundson	Cooperative Services Manager, Culture and Communities	13/6/12	18/6/12	Throughout the report
Mike Dickens	Legal and Democratic Services	13/6/12	18/6/12	Para 8
Mark Nicolson	Head of Improvement, Risk & Insurance	13/6/12	18/6/12	Para 5.3
Councillor Campbell	Cabinet Member Equalities and Communities	15/6/12	22/6/12	Throughout the report
Councillor McGlone	Cabinet Member Finance	15/6/12	22/6/12	Throughout the report
Councillor Prentice	Cabinet Member Culture and Olympics	15/6/12	22/6/12	Throughout the report
External				

Report history

Decision type: EITHER: Key decision [state the date it was first entered into the Forward Plan e.g. January 2009] OR Non-key decision(delete as applicable)		Key decision: reason EITHER a) expenditure or savings of £500,000 or more <input checked="" type="checkbox"/> OR/AND: b) proposal affects significantly two or more wards <input checked="" type="checkbox"/>	
Authorised by Cabinet member:	Date report drafted:	Date report sent:	Report deadline
Councillor Campbell Councillor:McGlone	17.5.12	26.06.12	18.06.12
Report no.:	Report author and contact for queries:		
/10-11	John Kerridge, Assistant Director Culture and Communities		
	020 7926 2744 jkerridge@lambeth.gov.uk		

Background documents

Community Hubs Report Cabinet: 12th December 2011

Appendices

1. Community Asset Plan
2. Draft Community Asset Transfer Policy
3. Consultation and Equalities Impact Assessment Report

Community Hubs

1. Context

- 1.1 Following the end of public consultation this report will deliver a network of community hubs. The strategic vision for community hubs is to provide safe places where communities can come together and where their willingness to act mutually on local issues will be encouraged and supported.
- 1.2 Community hubs will be at the heart of delivering the cooperative agenda by establishing a physical platform to engage residents in community-led commissioning approaches.

2. Proposals and Reasons

- 2.1 As reported to Cabinet on 12th December 2011 the Council's current policy of providing buildings to community groups is unsustainable. There is general agreement with the vision, direction and concept of community hubs from our voluntary and community sector partners, but there remain concerns on three fronts that need to be addressed within this report:
 - a) Accessibility of affordable space for small and emerging community sector groups.
 - b) Capacity of community groups to manage assets.
 - c) Any disposal programme of assets needs to be undertaken after additional spaces have been created to replace any loss of capacity elsewhere.
- 2.2 To address these concerns this report recommends the following mitigating actions:
 - a) Transitional funds to be prioritised to increase access in the supply of new improved and affordable office/hot desk facilities for small and emerging local voluntary and community sector groups to rent.
 - b) A capacity building programme to support communities wishing to take on additional responsibilities around the management of community assets.
 - c) A revised community asset transfer policy that encourages the increased ownership of buildings within the local voluntary and community sectors.
 - d) A Community Asset Plan that will secure reinvestment into the community hubs network.
- 2.3 Community-led commissioning is a structured way of deciding what and how resources should be invested. The process may involve:
 - Assessment (or reassessment) of need
 - The identification of resources
 - Planning how to use the resources
 - Arranging service delivery through a procurement process
 - Monitoring and reviewing service delivery

2.4 The fundamental difference between traditional public sector commissioning and community-led commissioning is that the latter process is managed on a “co-production” basis, whereby public sector officers/commissioners are required to work in partnership with community-led organisations to develop new priorities and investment plans. Residents are provided with information and opportunities to be much more than passive recipients of services. This goes beyond ‘consultation’ by recognising the unique position communities have in identifying need and may include them leading on the design, commissioning and delivery of services.

3. Community Hubs

3.1 The term community hub is a generic term and local communities through the coproduction process will determine the operational name of their hub. A community hub will provide flexible, economical space for community groups, the statutory sector, social enterprises and small and medium sized enterprises to operate in, co-produce and deliver services from. They will provide a home where community growth, community action, volunteering and enterprise will be nurtured. They may consist of a single building, a network of complimentary buildings, or assets. They may also have a themed service priority, i.e. young people, cultural activities, a library service, learning or knowledge offer, or mix of service outcomes,

3.2 The matrix below provides an overview of the direction of travel for the network of community hubs following feedback from the public consultation period and officer assessment. This list includes those libraries, that will be transformed into community hubs and will continue to offer a library service to their local communities:

Site	Proposal
The Brix Hub	<ul style="list-style-type: none"> • Owned by independent trust • Investment towards modernising and remodelling of the internal layout of the building. • 15 additional offices for voluntary and community groups, ranging from single person offices to four or five person offices. • Up to 30 “hot-desks” or open plan area spaces, each provided with a workstation and storage cabinet, telephone with external line and docking station for computer or laptop. • Access to other support services and pooled locally or borough wide that could reduce costs to local groups (e.g. accountancy support) • Shared office services, such as photocopiers and printers, kitchen facilities, phone answering service, and a central server for the building offering all resident groups cheap access to the internet and telephone lines (at a charge of about £35 per month plus 2p per minute for calls). • Training and meeting room facilitates. • The Integrated management and maintenance of the Brixton ‘Peace Garden’ through a cooperative entity.
The Nettlefold Hub	<ul style="list-style-type: none"> • To reopen the West Norwood Library in the Nettlefold Centre and to develop the building as a community hub.

	<ul style="list-style-type: none"> • Lambeth Council to continue to revenue fund library services within the building. • Lambeth Council to contribute towards design and feasibility costs. • Explore joint venture arrangement for future of the building including council, community and commercial partner. • Subject to capital explore option to reopen as a community hub with integrated: <ul style="list-style-type: none"> - Library service offer - Cinema - Cemetery Visitor Centre - Community space - Café/Bar • Remodel internal space to create rental space for small enterprises or community groups. • Prioritise £750,000 capital investment programme. • Linkage with Norwood Hall, South London Theatre and Norwood Old Library to provide additional community space.
Minet Hub	<ul style="list-style-type: none"> • Community-led consortia wishing to explore an integrated cooperative management and maintenance approach across: <ul style="list-style-type: none"> - Minet Library - Longfield Hall - Myatts Field Park - The Remakery • To become a community hub. • Lambeth Council to continue to revenue fund library and archive services. • Potential community asset transfer of buildings to a cooperative entity. • Contribution towards professional development of project feasibility.
Lambeth Accord (336 Lambeth Road)/Angell Town Shops and Boiler House Hub	<ul style="list-style-type: none"> • 336 Lambeth Road is owned by independent trust. • Interest from local community group (Angell Delight) to be involved in parade of shops. • Seek an integrated management and maintenance arrangement between sites. • Modernise and remodel Angell Town shop parade to create 10 rental units for small enterprises or community groups. • Potential revenue impact if shop parade transferred back to community management from the Council. • Determine future use of Boiler House, galvanising current enthusiasm to see facility improved and supporting programmes for young people with local management.
Black Cultural Archives Hub	<ul style="list-style-type: none"> • Organisation interested in continued use of Othello Close after their relocation to Raleigh Hall. • Modernise and remodel internal building (Othello Close) to create rental units for small enterprises or community groups. • Additional community meeting space for hire and to deliver elements of BCAs education programme.
Carnegie Hub	<ul style="list-style-type: none"> • Develop the range of services on offer at the Carnegie Library into a community hub in partnership with local community, independent school and library service • Lambeth Council to continue to revenue fund library service within the building.

	<ul style="list-style-type: none"> • Investment for design costs. • Additional meeting and rental space for community activities. • Modernise and remodel internal building additional space for community activities and small enterprises. • Create cooperative entity, which may ultimately receive the building through an asset transfer.
The Woodlawns Centre Hub	<ul style="list-style-type: none"> • Broadening the range of groups using the centre to increase sustainable income • Investment to modernise and remodel internal of building to create 3 additional rental spaces for community activities or small enterprises that offer appropriate facilities required of potential session and longer term hirers and other users . • To become a community hub
157 South Lambeth Rd /Springfield Centre/Old Estate Office/ Tate South Lambeth Library Hub	<ul style="list-style-type: none"> • Explore the creation of a single cooperative management and maintenance structure across 4community assets to create a Stockwell community hub network. • The asset transfer of 157 Lambeth Road, Springfield Centre, Old Estate Office to a community managed trust. • Modernise and remodel internal layout of buildings to create additional space for community activities or small enterprise. • Potential link with future options concerning Tate South Lambeth Library. • Lambeth Council to continue to revenue fund library service at Tate South Lambeth. • Interest from Stockwell Partnership, London Community Foundation and the Lost Theatre. • Develop the range of services on offer at the Tate South Lambeth Library
Lambeth Walk Hub	<ul style="list-style-type: none"> • Currently a doctor's surgery on the ground floor. • The site offers opportunity on the first floor of this modern building, with lift access. • The building has the potential of offering rental space for voluntary and community groups, as well as space for community activities and meetings.

3.3 Each proposal will now be developed to its delivery stage. This process may also include where applicable delegated authority to ensure community-led approaches or commercial opportunities are not unnecessarily delayed.

4. Community-led approaches

4.1 The Council will continue to support community-led approaches throughout the lifecycle of individual community hubs. This will include funding to support the development of their capacity to enable them to take on additional responsibilities, if they so wish. The Council will also provide methods of intervention when things do not go to plan. The successful delivery of this programme will rely upon good, transparent, healthy, robust and engaging governance arrangements.

Capacity Building

4.2 The Council has a budget of £320,000 over the next two years to support community capacity building activity in the borough. Asset management involving

communities requires skills, knowledge and expertise and this will be a priority within this budget. Following feedback from the public consultation period, along with further discussions with Lambeth Voluntary Action Council and Community Matters this report prioritises £160,000 of this budget over the next 2 years.

- 4.3 This funding will be used to commission a capacity building programme that will support communities wishing to get more involved in the management of assets based on the following outcomes and priorities:

Outcome: Community-led partners are ready to take on additional responsibilities where they desire to do so, including the codesign and coproduction of community services and asset management	
Priorities	
Business and service planning	Fit for purpose governance
Leadership, negotiating and influencing	Asset Management
Managing people/volunteers	Effective budget management
Equalities, user and community engagement	Fundraising

- 4.4 The balance of the community capacity building budget (£160,000) remains subject to consultation with local voluntary and community sector groups with the following issues identified by them as priorities:

- Generic capacity building across the voluntary and community sectors
- Tailored training and business planning
- The Volunteering Centre
- The representative role of the voluntary and community sector in Lambeth
- Building new and collaborative working (i.e. The Lambeth Association)

Accountability Framework

- 4.5 Where communities wish to take on additional responsibilities for managing council assets they will be assessed against an accountability framework, which will test the organisation, along with a public interest test. The accountability framework will be structured around work being taken forward as part of the Cooperative Council:

Organisational Test		
• Legality	• Accountability	• Governance
• Quality	• Adaptability	• Value for money
• Equality and inclusion	• Deliverability	• Affordability

Public interest test framework
1. Justifying the organisation:
- Viability/Sustainability
- Intentions of the organisation
- Additional activities
- Compliance with regulations and laws
2. Justifying the idea
- Who will benefit from the proposal?

<ul style="list-style-type: none"> - Is there a real need for the proposal? - Does the idea proposal link with broader strategies? - Does the proposal achieve value for money?
<p>3. Public Involvement</p> <ul style="list-style-type: none"> - How involved are residents in coproducing the proposal? - Activity that offers opportunity for the broadest possible engagement, including traditionally excluded communities. - Methods and activities of on going consultation and involvement

Transitional Funding

4.6 As reported to Cabinet in December 2011 the Council had made £450,000 of transitional funding available to kick-start the process of developing the community hubs network. Set out below is the estimated expenditure, which will now be developed into a phased programme:

From Libraries Cabinet Report		
Sites	Investment	Est. cost
Nettlefold	Contribution towards design costs.	£2,500
Minet	Contribution towards the employment by local trust of expert to prepare feasibility and options appraisal report and develop funding applications.	£35,000
Carnegie	Design and governance development.	£5,000
Upper Norwood Joint Library	Governance development	£2,500
Durning	Survey, condition and options appraisal.	£5,000
Streatham	Business case and options appraisal.	£5,000
Waterloo	Options appraisal.	£5,000
Tate South Lambeth	Survey, condition and options appraisal.	£5,000
Sub Total		£65,000
Equalities Impact Assessment	Commissioning of expertise to undertake EIA assessment	£20,000
The Brix	Contribution towards adaptations to building	£70,000
Angell Town	Contribution towards adaptations to building	£90,000
Woodlawns Centre	Contribution towards adaptations to building	£50,000
157 South Lambeth Road/Springfield/Old Estate Office/Tate South Lambeth Library	Contribution towards the employment by local cooperative entity of expert to prepare feasibility and options appraisal report and develop funding applications. Contribution towards adaptations to building	£75,000
Programme Management	Delivery of overall programme	£80,000
Sub Total		£385,000
Total		£450,000

- 4.7 This investment will provide the opportunity to unlock the asset disposal programme and generate capital receipts for reinvestment. The anticipated outcomes from this investment are as follows:

Additional office/location capacity for voluntary and community sector/small enterprises	25 units
New 'hot-desk' places for voluntary and community sector/small enterprises	30 units

Capital Investment

- 4.8 An estimated £7m capital programme is required to deliver the recommendations in this report and the sister report on Cooperative Libraries. Once secured the programme of investment and renewal will be implemented across three strands:

Investment Plan	Investment activity	Est
Fit for purpose library service points	<ul style="list-style-type: none"> • Health and safety improvements • Disability access • Reopening of the Nettlefold 	£3m
Transforming, modernising and updating existing library service points into community hubs.	<ul style="list-style-type: none"> • Installation of new technologies, including self service facilities • Building alterations in existing libraries to create additional rental space and transform into community hub. • 15% contingency for unexpected costs. 	£3m
Community Hubs Challenge Fund	<ul style="list-style-type: none"> • A designated capital investment fund aimed at community-led proposals within the hub network. • Building alterations in localities to create additional rental space. • Criteria to be designed to give priority to proposals that can lever in additional funding. 	£1m

- 4.9 These funds will also contribute towards the programme management costs within the Culture and Communities Division over the next 2 years. Programme management will be locked into the strategic asset management procedures for delivering the Council's capital programme. The council reviews the capitalisation of costs to ensure they meet strict criteria. Accordingly, proposals will be reviewed by the Capital & Taxes team within Corporate Finance to ensure the criteria are met before costs are charged to the Capital Investment Programme.

Community Asset Plan

- 4.10 The community asset plan is set out over 4 phases. The plan will manage sensitively a process that will create additional capacity in the supply of affordable spaces and the sale of vacant buildings. Voluntary and community groups who have and are meeting the terms of their lease will not face eviction under this plan. Voluntary and community sector groups currently occupying Council owned premises will have a number of options to consider over the next 4 years:

1. Take up ownership of the building through the revised asset transfer policy.
2. Increased security of tenure through a new occupancy agreement followed by an investment sale of the building.
3. Opportunity to relocate into a community hub.

4.11 It is estimated that this approach will generate an estimated £11.5m in capital receipts depending upon market conditions over the next four years. This report earmarks £7m of these estimated capital receipts for reinvestment into the community hub network.

Phase	Activity	Est capital receipts
1	Instigate community right to bid process across the whole portfolio of properties listed at appendix 2.	N/A
	1 (a): Consider asset transfer requests against the revised asset transfer policy.	(£1.2m)
	1 (b): Dispose of vacant community buildings when opportunity arises and sale of buildings whilst providing secure occupation for tenants.	£7.1m
Future Years Programme		
2	Increased space becomes available through the community hubs network.	N/A
	Consider asset transfer requests against the revised asset transfer policy.	£0.5m
	Dispose of vacant community buildings when opportunity arises and sale of buildings whilst providing secure occupation for tenants.	£1.0m
3	Increased space becomes available through the community hubs network.	N/A
	Consider asset transfer requests against the revised asset transfer policy.	£0.6m
	Dispose of vacant community buildings when opportunity arises and sale of buildings whilst providing secure occupation for tenants.	£0.9m
4	Complete assessment of capacity building investment	N/A
	Consider asset transfer requests against the revised asset transfer policy.	£0.6m
	Dispose of vacant community buildings when opportunity arises and sale of buildings whilst providing secure occupation for tenants.	£0.8m
Estimated total capital receipts		£11.5m

4.12 The community asset plan, subject to market conditions offers the following level of investment into the future provision of community buildings in the borough over the next four years:

Type of investment	Estimate Value
Council owned property earmarked for asset transfer	£1.2m
Capital recipients earmarked for investment	£7.1m
Property occupied by voluntary and community sector	£3.4

groups remaining in Council ownership	
Council building earmarked for community hubs	£10.4m
Total	£22.1m

Estimated Revenue Implications

- 4.13 The community asset plan will result in a loss revenue income to the Council. This rental loss per financial year is estimated as:

	Year 1	Year 2	Year 3	Year 4
Est. loss of rental income	£46,000	£47,000	£148,000	£41,500
Est. loss of income by department				
ACS	£44,000	N/A	£65,000	N/A
HRE	£2,000	£47,000	£83,000	£41,500

- 4.14 This estimated loss of income will be addressed as part of the Service and Financial Planning process. This will need to be assessed annually against community asset plan and market conditions. A revised community asset transfer may add a further revenue impact, which will be dependent upon the final policy agreed by Council.

5. Community Asset Transfer Policy and Insurance

- 5.1 Attached at appendix (2) is the framework for a revised community asset transfer policy. The proposed and revised outcome of the community asset transfer policy is as follows: Communities utilising, managing and owning assets sustainably to improve the social, economic and environmental opportunities within neighbourhoods and foster their self-reliance.
- 5.2 The cooperative vision for the revised policy is an increase community ownership of assets within neighbourhoods to stimulate the creation of new social markets and robust community enterprises that deliver local services and provide residents with new learning and employment opportunities.
- 5.3 It is proposed to enter into a 12 week period of public consultation with voluntary and community groups, including existing occupants through Lambeth Voluntary Action Council. The consultation material will also be available through the Councils website. The revised policy will be subject to approval by Cabinet as any proposed changes will amend the Council's Asset Management Plan and Policy Framework.

Buildings & Contents Insurance

- 5.4 The Council insures the buildings and contents for which it owns (or leases) and for which the council has an insurable interest. In the event of the building being damaged by an insured event i.e. fire, our insurance policy would respond. As part of any insurance policy conditions the insured is required to 'take reasonable precautions' to protect the property. In much the same way that if a private individual left a window open at home and were subsequently broken into insurers could decline the claim on the basis that the individual failed to take

'reasonable precautions' to protect their property, the same is true should a community group fail to secure / lock up a library after they had finished using it and a break in subsequently occurred.

- 5.5 Community groups would be able to have access to library buildings outside of core hours without this affecting the council's insurance cover providing that some form of hire agreement was in place outlining the terms of the hire including procedures for locking windows and doors and setting intruder alarms.
- 5.6 An alternative option could be to have a designated caretaker who has responsibility for securing the building at the end of any hire. The second of these options could have a financial implication but would reduce the risk of any oversight invalidating insurance cover. Any equipment, personal possessions, furniture etc which is brought onto the premises and is owned by the community group or an individual, would not be insured under the council's cover and the owner of that equipment would need to ensure that they had their own insurance cover in place to protect their possessions.

Liability insurance

- 5.7 The main type of liability insurance is public liability which provides indemnity for claims made by a third party against the council (or an officer) for injury or damage that has been caused to them whilst using our premises, land, and equipment or as a result of a service being provided. Lambeth's existing public liability insurance would provide indemnity for any visitor on library premises (even if during an evening/weekend hire) where the injury was caused as a result of the council's negligence as property owner, i.e. a trip on a faulty floor surface.
- 5.8 There is a risk however that somebody could be injured during a hire on a piece of equipment brought in by the community group. In this scenario the council's insurance cover would not address any claim as the equipment is not owned, maintained or the responsibility of the Council. To plug this gap in liability and provide cover, the Council's liability insurance cover would need to be extended. This is currently being explored with the council's insurers. It is important to note however that a proposed 'hirers liability' would only extend cover for claims that arise during the period of the hire.
- 5.9 It is for this reason that it is recommended that community groups have their own annual liability insurance that would provide them with a much wider level of insurance protection in relation to claims that may arise outside of any particular hire. Another point to note is that if any claims arise under a 'hirer's liability' the extension would count against the Council's claims, which could have a significant impact in the event of injury claims.

6. Finance Comments

- 6.1 This report has a variety of recommendations that have complex financial implications. A number of the recommendations are subject to further work, to finalise the financial implications to the authority, and reporting. All proposals must have sufficient resources identified before the authority is committed to any expenditure or loss of income. Similarly, full appraisals need to have taken place before there is a loss of assets or loss of potential capital receipts. The report

contains an overview of community hubs and expenditure to be spent from the £450k of transitional funding. The report recommends the adoption of the Community Asset Plan which details the future of a wide range of buildings assets which are used in the community. In summary, the Community Asset Plan will result in:

- The asset transfer of £1.2m of buildings assets to the community.
- The disposal of assets over four years totalling £11.5m.

6.2 The report sets out plans to invest £7m of the £11.5m of receipts as follows:

- £3m to make libraries fit for purpose including health and safety, disability access and reopening of Nettlefold.
- £3m to invest in transforming and modernising library service points into community hubs.
- £1m for a cooperative community hubs challenge fund.

6.3 These sums are estimates at present and are subject to further work to finalise the programmes and amounts to be invested. The proposed recycling of receipts to fund capital proposals set out in this report forms part of the recommendations included within the July Finance Review, also on the July 9th Cabinet agenda.

6.4 The success of the programme will be determined by market conditions for the sale of assets. If the full assessment disposal plan is achieved it could result in an estimated loss of £282,000 rental income per annum although the full impact of the loss will accumulate over the four years of the asset sale programme. This will create a budget issue which will be addressed as part of Service and financial Planning.

7. Comments from Director of Governance and Democracy

7.1 Section 1 of the Localism Act 2011 introduced a new “general power of competence” for local authorities, defined as “the power to do anything those individuals generally may do” and which expressly includes the power to do something for the benefit of the authority, its area or persons resident or present in its area.

7.2 The Localism Act also introduces a number of community rights, including the “Community Right to Bid”, whereby parish and community councils and local voluntary and community organisations will be able to nominate local land or buildings to be included in a list of community assets maintained by local authorities. A property will be included where its current main use furthers the social wellbeing or social interests of the local community, and where it is realistic to think that this use will continue. A property will also qualify when it has been in such use in the recent past, and this may realistically recur within the next five years. Certain buildings or land will be excluded, primarily wholly residential premises. Social interests include culture, recreation and sport. The Council is responsible for determining whether a property qualifies for inclusion in the list and is also required to keep a list of assets that have been rejected for inclusion. When listed assets come up for sale or change of ownership, community groups

- have the opportunity to develop a bid and raise the money to bid to buy the asset when it comes on the open market.
- 7.3 By virtue of section 123, Local Government Act 1972, the Council is empowered to dispose of land held by it in any manner it wishes but, except with the consent of the Secretary of State, it may not do for a consideration less than the best that can reasonably be obtained (unless the disposal consists of a grant of a term not exceeding seven years).
- 7.4 However, in August 2003 the ODPM in its circular 06/2003 and the annex thereto (The General Disposal Consent (England) 2003) removed the requirement to obtain the Secretary of State's specific consent for any disposal of non-HRA land in specified circumstances, i.e.:
- (a) where the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2 million; and
 - (b) the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of the promotion or improvement of the economic, social or environmental well-being of all or part of its area, or of all or any persons resident or present in the area.
- 7.5 The circular makes it clear that, when exercising these powers to dispose of land at an undervalue, members must be satisfied that the circumstances warrant such action and be aware of the need to fulfill their fiduciary duty in a way which is accountable to the local community. In addition, the authority is advised to ensure that it complies with normal and prudent commercial practices, including obtaining the view of a professionally qualified valuer as to the likely amount of the undervalue. The circular also points out that all disposals need to comply with the European Commission's State aid rules:
- "When disposing of land at less than the best consideration authorities are providing a subsidy to the owner, developer and/or the occupier of the land and property, depending on the nature of the development. Where this occurs authorities must ensure that the nature and amount of subsidy complies with the State aid rules, particularly if there is no element of competition in the sale process. Failure to comply with the rules means that the aid is unlawful, and may result in the benefit being recovered with interest from the recipient."*
- 7.6 Section 32 of the Housing Act 1985 provides that local housing authorities have power by virtue of that section, and not otherwise, to dispose of land held by them for the purposes of Part II of that Act. With the exception of the right to buy, disposals under this section require the consent of the Secretary of State.
- 7.7 The Department for Communities and Local Government has issued general consents pursuant to this section on 9 May 2012. General consent A.3.2 permits the Council to dispose of vacant land at any price determined by the Council. Vacant land is defined to mean land on which no houses have been built.
- 7.8 When considering the issue of State aid, regard must also be given to the various exemptions as set out in the General Block Exemption Regulations (800/2008) as well as the block exemption for *de minimis* aid. In broad terms, the *de*

minimis block exemption permits grants of aid to undertakings, provided that grants to any one undertaking do not exceed a total of 200,000 euros over any period of three fiscal years. There are also new Regulations that came into force on 26 April 2012 that make provision for funding of services of general economic interest (“SGEI”) which allow for a higher *de minimis* cap without the need for prior European Commission approval. The Regulations act to exempt aid of up to 500,000 euros per organisation granted as compensation for the provision of SGEI over the period of three fiscal years from the notification obligations under the EU state aid rules. Due to the size of this new *de minimis* limit, the Regulations are helpful to entities operating at a local level such as Community Interest Companies, charities and other organisations providing localised services. What actually constitutes ‘services of general economic interest’ is for Member States to decide.

- 7.9 Details of the consultation and community engagement undertaken are set out in paragraph 9 below and in Appendix 3. The following principles of consultation were set out in a recent High Court case. First, a consultation had to be at a time when proposals were still at a formative stage. Second, the proposer had to give sufficient reasons for any proposal to permit of intelligent consideration and response. Third, adequate time had to be given for consideration and response, and finally, the product of consultation had to be conscientiously taken into account in finalising any statutory proposals. The process of consultation had to be effective and looked at as a whole and it had to be fair. That required that consultation took while the proposals were still at a formative state. Those consulted had to be provided with information that was accurate and sufficient to enable them to make a meaningful response. They had to be given adequate time in which to do so and there had to be adequate time for their responses to be considered. The consulting party had to consider responses with a receptive mind and a conscientious manner when reaching its decision.
- 7.10 Section 149 of the Equality Act 2010 sets out the public sector equality duty, i.e. that all public bodies are under an obligation to have ‘due regard’ to eliminating unlawful discrimination, advancing equality and fostering good relations in the contexts of age, disability, gender reassignment, pregnancy, and maternity, marriage and civil partnership, race, religion or belief, sex and sexual orientation.
- 7.11 Section 149 (1)(b) of the Act states that: a public authority must, in the exercise of its functions, have due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it. Part of the duty to have “due regard” where there is disproportionate impact will be to take steps to mitigate the impact and the Council must demonstrate that this has been done, and/or justify the decision, on the basis that it is a proportionate means of achieving a legitimate aim. Accordingly, there is an expectation that a decision maker will explore other means which have less of a disproportionate impact. Details of the Equality Impact Assessment undertaken are set out in paragraph 10 below and in Appendix 3.

8. Results of consultation

- 8.1 The public consultation on cooperative libraries and community hubs was concluded on 27th April 2012. A full consultation report is attached at appendix 3

of this report. A variety of methods were utilised to reach out to Lambeth's diverse communities, which included:

- 26 public meetings to discuss proposals for cooperative libraries and community hubs;
- 5 public meetings specifically on community hubs, 2 of which were borough wide meetings organised by Lambeth Voluntary Action Council.
- 600 one to one interviews with users.
- 200 one to one interviews with non users of the service.
- Over 700 paper questionnaires completed, including art/drawing based contributions from children.
- Survey findings from 2011 as part of Lambeth Libraries 'tell us what you think' programme.

8.1 An analysis of the equalities profile of those engaged is provided within the consultation report. The key messages obtained through the public consultation period, which have been considered and influenced this report and its recommendations are as follows:

- The provision of safe space, i.e. study space and places to enjoy.
- Interest in the mixed service use of buildings.
- There is locality based interest in neighbourhoods regarding increased influence over service design but not at the expense of professionally-led services.
- Mixed response regards borough wide 'community-led' library services.
- Need to develop additional capacity for new community groups to have access to economical rental space.
- Accessibility of and improvements to buildings
- Voluntary and community sector agree with the general direction of the community hub proposal, but with caution.
- Any planned asset disposal programme needs to be managed sensitively to take into account new and emerging community groups.

8.2 The concept of working together cannot be simply imposed from the top, although the Council can create the right conditions for this to take place within neighbourhoods and with users, non-users, communities, staff and enterprises.

8.3 This requires flexibility to enable neighbourhoods to grow and take on responsibilities based on their capacity, ambitions and desires. This may result in a patchwork of arrangements across the borough with local support, which the Council will need to mould itself around by providing appropriate support.

8.4 The public consultation period has identified a number of prerequisites required for successful codesign and coproduction (both within the community and council):

- Locality based people having the skills and behaviours to create and facilitate engagement, mutual interest, and cooperation and embrace opportunities.
- The provision of transparent information on budgets, assets and associated running costs.
- Recognising professional employees at the point of delivery are best placed to shape services alongside residents and communities.
- Knowledgeable and confident staff with the skills and behaviours to grasp and nurture opportunities, share resources and power within a community hub environment.
- An exceptional customer focus.
- Localised autonomy of budgets, decision-making and asset management.
- Council staff being responsible and accountable within their core duties for creating the conditions that enable residents and communities to be more than passive recipients of services.

9. Organisational implications

Risk management:

A risk register for the programme is managed and reviewed by the transformational programme board.

Equalities impact assessment:

An equalities impact assessment reports is attached at appendix 3 of this report. The findings of these assessments have been considered and mitigating actions are set out within the body of the report.

Community safety implications:

Section 17 of the Crime and Disorder Act 1998: The Act imposes a general duty on local authorities as follows: "Without prejudice to any other obligations imposed upon it, it shall be the duty of each authority to exercise its various functions with due regard to the likely effect of the exercise of those functions, on and the need to do all it reasonably can to prevent crime, disorder and substance misuse in its area".

Compliance with the requirements of s17 may therefore include a two fold consideration i.e. having due regard to the likely effect of a decision on crime and disorder and doing all it "reasonably" can to prevent crime and disorder.

Successive surveys have shown that the level of crime in the Borough is the number one concern of residents. It is essential therefore that opportunity for crime and anti social behaviour is prevented and that the public realm environment promotes safety and security and deters criminal and anti-social behaviour opportunities.

Community Hubs will provide a prominent means of distributing crime prevention advice and details to residents, and are a key community resource for residents to gain advice around reducing the risk of crime. The adoption of a cooperative approach to libraries will increase the accessibility and awareness of this information to the community, and as such should secure beneficial consequences for crime and disorder.

Environmental implications:

Many of the hubs are also key civic buildings within the locality. Investment in them will provide improvements to the local environment. All procurement of capital improvements will be undertaken under the corporate procurement procedures to ensure sustainable impacts.

Staffing and accommodation implications:

The report, along with its sister report on cooperative libraries proposes a £7m capital investment programme across a portfolio of buildings. Broader staffing issues for the Council are picked up within the cooperative libraries report.

Any other implications:

There are none

10. Timetable for implementation

- i. July 2012: Council to enter into codesign discussions with communities.
 - ii. September 2012: Further report to Cabinet
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