

Cabinet	 TOWER HAMLETS
24 March 2021	
Report of: Sharon Godman, Divisional Director Strategy, Policy and Performance Ann Sutcliffe, Corporate Director, Place	Classification: Unrestricted
Community Hubs	

Lead Member	Councillor Candida Ronald, Cabinet Member for Resources Councillor Mufeedah Bustin Cabinet Member for Planning and Social Inclusion
Originating Officer(s)	Vicky Clark, Divisional Director Growth and Economic Development David Freeman, VCS Strategy and Policy Manager, SPP
Wards affected	All wards
Key Decision?	Yes
Forward Plan Notice Published	
Reason for Key Decision	All wards
Strategic Plan Priority / Outcome	All

Executive Summary

This report sets out proposals for the further development of the council buildings designated as community hubs. The development plans set out in the report chart a consultation and community involvement process to take the hubs from direct management by the council or its appointed agents to community based management arrangements.

Recommendations:

The Cabinet is recommended to:

1. Note the report,
2. Agree the core principles set out in para 3.12, and
3. Note the specific equalities considerations as set out in Paragraph 4

1 REASONS FOR THE DECISIONS

- 1.1 The establishment of community hubs was set out in earlier reports to Cabinet in November 2016 and March 2018. This report follows extensive work on the council's behalf by the national community development agency, Locality, to explore appropriate models for community management where the hubs will be managed by locally connected and experienced VCS organisations for the benefit of local residents and provide facilities for community activities at affordable rates.
- 1.2 The proposals set out in the report develop the principles and rationale for community hubs and provide a road map to develop appropriate community based management arrangements taking into consideration the substantial and potentially long lasting impact on the usage of community buildings from the restrictions imposed to combat the COVID-19 pandemic.

2 ALTERNATIVE OPTIONS

- 2.1 The council could retain the direct management of the community hubs for at least a further 12 months to allow more time for the original planned transfer to take place. While this is not the preferred option, as discussed in the detail of the report, the impact of Covid 19 on community buildings may have an effect on VCS organisations' willingness to manage new community facilities. A further report will be brought to Cabinet for consideration of alternative options if, when the process detailed in paragraphs 3.33 - Six3.37 below is implemented to lease the community hubs, no suitable lessee or lessees are identified.
- 2.2 The council could retain direct management of the community hubs indefinitely.
- 2.3 The council could decide to sell, lease or change the use of one, some or all of the community hub buildings

3 DETAIL OF THE REPORT

- 3.1 Following the review of the use of its buildings by voluntary and community sector organisations reported to Cabinet in November 2016, the council initiated the development of a series of community hubs which were intended to,
 - a. Provide low cost, accessible and flexible space for local voluntary and community organisations, and
 - b. Develop opportunities for more effective use of council assets by reducing underuse of buildings and giving VCS organisations the benefits of accommodation more fit for purpose at a lower cost, making use of economies of scale

- 3.2 The five community hubs exist alongside a range of other council-owned assets that are available for hire and usage by voluntary and community organisations, including:
- a. buildings for lease
 - b. multi-occupancy centres with activity and office space available for usage under licence
 - c. TRA buildings
 - d. Event spaces within Idea Stores
 - e. Arts and Events spaces
 - f. open spaces and parks

- 3.3 Five community hubs were identified and initially set up and managed, either directly by the council or via a managing agent, with the intention of passing responsibility for managing hubs to community based organisations over time:

- Christian Street Community Hub
- Tramshed Community Hub
- Bow Community Hub
- Granby Hall Community Hub
- Raines House Community Hub

In addition to providing facilities for residents and organisations in the immediate vicinity, Granby Hall has been identified by the Somali Task Force as a hub with a particular focus on the needs of the Somali community. Links with the Somali community have been developed by the use of Granby Hall by Somali led organisations providing services for elders and for young people. This has been highlighted in the equality analysis of the proposed arrangements and there will be a requirement for the lessee of Granby Hall to support the continued development of the use of the premises to provide services for the Somali community.

- 3.4 All of the community hubs are now operational but currently have limited use as permitted by the Covid 19 regulations, restricting the size of gatherings and the broader use of community centres and similar buildings. Appendix A summarises the management arrangements and use of each of the hubs prior to closure at the beginning of the first Covid 19 lockdown in March 2020.
- 3.5 There are no current plans to add or remove any buildings to the 'community hubs' portfolio, although, as services are reconfigured and usage of buildings changes, this may be considered.
- 3.6 The buildings so far identified as community hubs share several characteristics:
- a.) Owned by the council and (in most cases) with a long history of community use
 - b.) Renovated to a high standard and branded with LBTH corporate colours
 - c.) Divided into different activity spaces for hourly hire

- d.) Minimal or no office space
 - e.) Limited storage space for building users
 - f.) Keys held only by the Council or managing agent
- 3.7 Some of the community hubs have catering-quality kitchens, while others have more limited facilities. One hub (Granby Hall) contains a prayer space. One hub (Raines House) has a bar set up for use at events. Only one hub is anticipated to have an occupier holding a lease of part (at Raines House, on a separate upper floor).
- 3.8 Current hire policy for community hubs encourages usage by local organisations and local residents (e.g for birthday parties and other events) by offering reduced rates for non-commercial bookings.

Community Management

- 3.9 The report to Cabinet in November 2016 which set out the basis for developing community hubs envisaged that the hubs would be managed initially by the council but in the longer term would have some form of community based management. In addition to meeting the outcomes set out in the November 2016 Cabinet report, the community management of community hubs would enable these physical assets to have a wider focus for the development of social action and community empowerment in their respective localities. The focus of community hubs would reflect the priorities set out in the Tower Hamlets Plan and the Strategic Plan, as well as more specific objectives included in the VCS and Community Engagement Strategies, particularly:
- a. Promoting co-production and sustainability;
 - b. Maximising the value from resources;
 - c. Communities lead the way in making Tower Hamlets a great place to live, and
 - d. Communities have the power to influence issues that affect them.
- 3.10 More specific outcomes will be used to measure the success of community hubs have on developing community activity in their respective areas. These include the levels of use by the community, types of use, range of user groups etc., as well as wider, longer term outcomes relating to the social impact the hubs have in their respective localities. Financial sustainability is also be a significant outcome.
- 3.11 The council commissioned an options appraisal for the future community management of the existing and any future community hubs and high level options for a strategic approach to community hubs and similar buildings across the borough. The brief also included TRA managed community centres. The future management of the TRA centres is being considered separately and is not included in this paper. This work was carried out on behalf of the council by the national community development agency, Locality

in 2019. A full copy of the report prepared by Locality is a background document to this report and a summary is attached at appendix B

- 3.12 The Locality report sets out a model for community hubs in Tower Hamlets based on a set of core principles that would underpin their development and inform the outcomes by which success may be measured. These principles are:
- a. Diversity – a proactive approach to ensuring the user base is diverse and that the hubs are perceived as open, accessible and not dominated by one group;
 - b. Animation – promoting activity to ensure the buildings are well used, busy places;
 - c. Local community involvement – development through the principles of co-production;
 - d. Effectiveness – optimising usage and achieving value from these resources;
 - e. Location – complementing other community resources and, for future hubs, location at the heart of the community, and
 - f. Collaboration – networking within the council owned hubs and with those managed by other providers to develop peer learning and support.
- 3.13 The report also recommends that the council should consider establishing a network for community centres/hubs. This networking could extend beyond the council’s portfolio of community hubs and other community buildings to include partners such as Registered Providers that operate their own community buildings.
- 3.14 The Locality report sets out range of options for the future management of the community hubs (Locality Report section 8). It does not make specific recommendations for individual buildings but suggests the circumstances where each option might be appropriate. The options are summarised below.

Option 1 Deliver better in the current existing framework

- 3.15 This option may, in the longer term, improve performance but does not address some of the fundamental issues. In particular it does not meet the aspiration to devolve the management responsibility to community led organisations.
- 3.16 Keeping the hubs under council management, with bookings managed by the Facilities Management Team, would enable the council to maintain full control of the buildings’ usage and keep all of the income earned from hires. It would

also mean the all costs of management and maintenance would remain with the council.

Option 2 Contract out management to partner organisations

- 3.17 As a shorter term option this arrangement provides the opportunity to develop local activity without requiring a long term commitment from either the council or the managing agent. This model has been used for the interim management of the Bow (A12) Hub and Granby Hall.
- 3.18 As a longer term solution this option does not devolve the management responsibility to community led organisations as it retains council control of the buildings and the council would retain financial responsibility for the hubs.
- 3.19 This option is only recommended as a short/medium term solution to support the development of a longer term model.

Option 3 One organisation managing the portfolio or a small number of organisations managing parts of the portfolio

- 3.20 The Locality report sets out the benefits of this arrangement, essentially allowing locally focussed and led management of individual buildings, along with a shared premises management function under one organisation potentially spanning a number of buildings.
- 3.21 This offers a model where local volunteer stakeholders can be supported to develop activities and shape the future direction for each building through a local user committee, with the economies of scale and premises management expertise brought by a larger community organisation which would be the lessee and the accountable body to the council for the management of the hubs. The local user committee would have an advisory role and may take on some routine management responsibilities governed by a formal agreement with the lessee (discussed in para 3.39 below). This model also provides a governance structure that helps prevent the situation where one or a small number of users dominate the management and use of a building, excluding other users and local residents.
- 3.22 This option would allow the council to lease the community hubs on short/medium lease terms to allow the arrangements to develop, before considering whether to make a long term commitment such as the community asset transfer set out in option 4
- 3.23 Leasing out the hubs on a short lease using the council's standard lease terms for VCS tenancies would potentially mean that the lessee is eligible for community benefit rent reduction.

- 3.24 Costs, repairs and management would be the responsibility of the lessee. Income from hires would be retained by the lessee and would be used to cover costs and potentially subsidise hire charges for smaller organisations.
- 3.25 This is the recommended option.

Option 4 Community Asset Transfer

- 3.26 This option develops option 3 as a long term solution with a commitment from the council to entrust the management of its buildings to a third party for a minimum of 25 years.
- 3.27 The council may wish to consider moving to this option after a period of operating with option 3 on a shorter lease term.
- 3.28 Community asset transfer gives organisations sufficient security of tenure to bring in external capital investment. This may be a significant consideration where a building needs repair and improvement works to make it fit for purpose and to adapt to meet future needs.

Lease arrangements

- 3.29 The recommended Option 3 of the Locality Report sets out a two tier model, where the formal arrangement for premises responsibilities/management is a lease between the council and an established community based organisation that is an experienced manager of community buildings. Some local management functions may then be devolved by the lessee to a local user committee for each building with appropriate governance and accountability arrangements.
- 3.30 Two of the hubs are held by the council on a long leasehold basis, St Andrews/Bow and Christian Street. Both leases permit the Council to under-let, subject to obtaining landlord consent, such consent not to be unreasonably withheld or delayed. There are restrictions on the permitted terms of under-leases, particularly that these should be on terms similar to those in the Council's leases. The most likely impact of significance will be constraints on the underlease terms that can be incorporated in respect of repairs and maintenance obligations. Both leases allow for use for community purposes, with an opening hours restriction in the St Andrews lease, including latest hours of 21.00 Mondays to Saturdays and 18.00 on Sundays. The process for obtaining landlord consents will be built into the implementation plan.
- 3.31 Section 3.6 of the council's Property Procedures for Disposals and Lettings agreed at Cabinet on 31st July 2019 sets out a process for selecting a tenant for community premises. These procedures recognise that, for the disposal of community premises, the focus is on the outcomes for the community rather than the rental the council could achieve. A marketing process for community

hubs under the procedures would include appropriate criteria for assessing the potential community outcomes that may be achieved through letting the premises to a voluntary and community sector organisation. The criteria would also require that organisations meet acceptable standards of governance, management and financial controls which are consistent with those applied to funding and other support from the Council to VCS organisations.

- 3.32 The procedures include the process for seeking expressions of interest from VCS organisations, assessment and approval of bids, and finalising lease arrangements.
- 3.33 The Covid 19 epidemic has had a significant impact on the immediate use of community premises and has also had a longer term effect on the way community premises may be managed in the future. In particular, the Covid 19 crisis has highlighted the risks of managing community premises in circumstances where use is restricted, income reduced and longer term sustainability threatened. A local user committee may develop over time and wish to formally incorporate so that, if it can demonstrate it has the skills, knowledge and capacity, it could become the leaseholder, taking responsibility for all aspects of the building management. However, it is suggested initially the council should only lease community hubs to well established, experienced and financially resilient organisations and exclude the option of a user committee also becoming a lessee in the immediate future.
- 3.34 These considerations will be incorporated into a marketing process. The criteria that an organisation would need to meet to be considered as a potential lessee would include that,
- a. It is an incorporated not-for-profit organisation, such as a Community Interest Company (CIC), Charitable Incorporated Organisation (CIO) or Registered Provider (RP), with at least 5 years' operating experience,
 - b. Its most recent accounts should indicate a healthy level of reserves and diversity of funding sources, and
 - c. It must have recognised relevant quality accreditation such as the Trusted Charity Mark.

The organisation would also need to be able to,

- a. Demonstrate that it has experience of running comparable community premises and spaces, including dealing with repairs, maintenance, and health and safety compliance;
- b. Demonstrate a clear commitment to the hub principles as outlined in section 3.13 of this report;
- c. Demonstrate a local connection and ability to reach residents and communities in the local area through good knowledge of the neighbourhood and its needs and working links and connections with other organisations in the locality (from all sectors);

- d. Produce and submit an indicative plan for usage of the building that would achieve the outcomes for the community set out in the performance management plan at appendix D,
 - e. Produce and submit a financial plan demonstrating how the hub will become financially sustainable and how any surplus generated will be applied to develop the use of the hub, and
 - f. Demonstrate a commitment to equalities and to making spaces and services accessible and welcoming to all.
- 3.35 The lease arrangements would follow the standard model for leases with voluntary and community organisations. The council would require the lessee to meet the requirements for Community Benefit Rent Reduction (CBRR) but, in view of the initial costs of setting up the community hubs as independent entities and the likelihood of income streams taking time to reach full potential, the council may consider whether it is appropriate to grant CBRR at a higher level initially.
- 3.36 A performance management agreement will be prepared for each of the hubs based on the model set out at appendix D. This agreement will be linked to the lease to ensure the hubs deliver the anticipated community outcomes and, if the outcomes are not achieved, there are appropriate remedies and the council retains the right to terminate the lease.
- 3.37 Each hub will have its own pricing and hiring arrangements appropriate for its own local circumstances, within the principles discussed below in 'Operating Principles'. Detailed arrangements, including hire charges, may therefore differ between hubs. However, the format and wording of hiring agreements and similar arrangements will be subject to council agreement, to prevent the creation of unintended protected tenancies. The lease and performance management arrangements will also include safeguards regarding hire policies which may exclude local users or any breach of the council's public service equality duties. While the council recognises that each hub will need the flexibility to ensure longer term financial sustainability, the performance management arrangements will include safeguards to ensure that there is a reasonable balance between activities that are priced to generate a surplus and those that are subsidised and that there is the opportunity for subsidised activities to take place at peak times as well as less popular times.
- 3.38 The initial period of the lease arrangements will be for 3-5 years. However, the Council might consider granting a longer lease where appropriate before the initial lease ends, particularly where the initial period has been successful, and where this may affect longer term funding arrangements and bids for capital funds.
- 3.39 A local user committee will be developed for each of the community hubs. Each committee will be developed through a stakeholder consultation and will include representation from existing user groups, local residents, the main housing provider(s) operating in the area and other potential stakeholders. They may be responsible for aspects of the day to day management of the hubs through a management agreement with the lessee. The agreements will

vary depending on the individual circumstances of each hub but could include keyholding, bookings, day to day cleaning and maintenance and other routine matters. The user committees will also have a role in working with the lessee on the strategic direction of the hubs, the development of new activities and links with other local provision. The lessee will retain responsibility for the financial management of the hubs.

Development Process

3.40 The key stages in the development process to take the community hubs through to the management arrangements described in option three are set out below and in detail in appendix C.

Stage		User Committee	Lessee	Time scale
1.	Establish interim management model	Direct management or council appointed management agent Hub open and operating under interim management model Soft launch for residents and potential users		in place
2.	Establish project group	Asset Manager, SPP Policy Manager, Facilities management,		In place
3.	Development phase 1:	Project group identifies key stakeholders and interested parties and plans out consultation meetings and events, mapping local issues (Lead – Policy Manager)	Project group agrees criteria and identifies potential lessees. Agree process for selection (Lead – Asset Manager) Draft performance agreement. Lead – Policy Manager)	Month 1
4.	Development phase 2	Project group works with key stakeholders to consider potential activities, investigate potential management options, including governance structures and membership terms for potential new user committee (Lead – Policy Manager)	Progress appointment of lessee (Lead – Asset Manager) Consult stakeholders/user committee Lead – Policy Manager)	Month 2/3

5.	Review	Review of progress so far		Month 4
6.	Development phase 3:	User committee work with proposed lessee and relevant project group members to finalise and agree mission, values, and terms for running the hub. Reporting measures developed	Finalise lease arrangements (Lead – Asset management) Finalise performance agreement. Lead – Policy Manager	Month 5/6
		Refining of governance arrangements Formal agreement with new leaseholder/ managing agency		Month 7
7.	Launch	Formal hand over Operational under new model		Month 8
8.	Report and review	Initial report and ongoing, regular reporting		Month 12, month 18, month 24

Operating Principles

- 3.41 The report to Cabinet in November 2016 set out operating principles for the hubs while they are under direct management of the council. These included,
- a. Hire charges based on actual usage
 - b. Consistent charging across hub network
 - c. Discounted rates for local community based activity
 - d. Mix of one off and regular bookings (max three months)
 - e. Mixed usage of community based activity and private functions
 - f. Priority hire for VCS organisations
 - g. Multi use so that more than one activity can take place at the same time
- 3.42 These continue to be the basis for the Council and contracted-out management arrangements.
- 3.43 Project groups will consider the future operating arrangements for their respective hubs. The council will expect the core principles set out in the 2016 community hub proposals to continue but individual hubs may wish to vary the detail such as actual charges made, rates of discount, maximum block booking periods etc. They may also wish to vary the facilities and range

of activities. This may, for instance, include providing the opportunity for small organisations to use the hub as office space. Initially there was concern about the suitability of the physical layout of the buildings and the risk of one or a small number of organisations dominating the use of the space. The recent development of virtual offices allows the possibility of including flexible desk space as one of the facilities hubs may be able to offer local community groups and increase the opportunities for larger organisations to deliver satellite services from community venues.

- 3.44 The detailed operating model for each community hub will be determined by the local user committee and the lessee. The scope of delegation of decision making will be included in the management agreements between the two bodies. Responsibility for adhering to the overarching principles set out by the council will be set out in the performance agreement and lease.
- 3.45 Within the overarching principles agreed with the council, each hub will have discretion that may include discounted hire rates to new groups without funding, priority to groups meeting specific local needs and other more detailed operational matters.

Performance management

- 3.46 The Locality Report suggested a performance framework based on the six core principles of the Hubs model. This framework will need to be refined for each of the community hubs to reflect their individual circumstances. Performance management will be incorporated into the agreement linked to the lease and annual CBRR monitoring process. The initial framework for each hub will therefore need to be agreed by the council as part of the CBRR application process and targets agreed.
- 3.47 The framework and targets will be reviewed initially after six months and thereafter annually to take account of the development of the community hubs over time. Experience elsewhere suggests that it may take up to two years before hubs reach full operating capacity. There is also an expectation that the principles of continuous co-design of activities will be applied to the ongoing development of the hubs. The performance framework will therefore need to be dynamic and focussed on achieving clear outcomes.
- 3.48 The framework is set out at appendix D. This includes indicators and measures to assess performance which have a significant focus on feedback from local residents and users of the hubs. To ensure the hubs are open and responsive to local needs the key indicators include demonstrating there is an active local user committee, a proactive programme to develop activities and incentives for smaller organisations to use the facilities.

Financial considerations

- 3.49 The table attached at appendix E sets out estimated income and expenditure for each of the community hubs while managed by or on behalf of the council based on most recent usage where possible. However, these figures are best estimates as only the Christian Street and Tramshed community hubs had significant usage before all the hubs were closed at the beginning of the Covid 19 pandemic. They should therefore be regarded as an indication only of the costs and possible income from the community hubs.
- 3.50 It is anticipated that the lease arrangements will be the same as for other short term leases with VCS organisations where the lessee is responsible for all outgoing, repairs and maintenance costs currently borne by the council. Services provided by the council such as statutory compliance will also be recharged. The net effect is that the community hubs should be cost neutral to the council with the possibility of generating some income depending on the level of CBRR agreed.
- 3.51 The cost to a VCS lessee of running a community hub may be significantly lower than for the council. VCS lessees are likely to be eligible for business rate relief and possibly also by more local management of variable costs such as utilities and routine maintenance and repairs. The Christian Street Community Hub had been open for over a year before the Covid 19 lockdown closure so has the most reliable financial data. The cost of business rates at this centre is more than half the total non-staffing running costs. Business rates also accounts for a significant proportion of the running costs of the other hubs. Lower operational costs for VCS lessees should, in turn, offer the possibility of more flexible hire charges to users such as start up discounts and lower rates for unfunded groups, and also less reliance on lettings that generate a surplus to support other activities.
- 3.52 The council will require a financial plan from prospective lessees as part of their bids to demonstrate they can operate sustainably and without further subsidy from the council. The lease arrangements will also include safeguards to ensure any surpluses generated by lessees are reinvested in the hubs.
- 3.53 As part of the process of reviewing the Council's assets, one of the issues considered is the powers under which assets are held, to ensure that these remain appropriate as changes take place. Of particular relevance is the distinction between assets held for housing purposes and accounted for in the HRA, and assets held in the General Fund. The five community hubs are part of a wider group of Council properties used for community purposes. The majority of this group is held in the HRA. Of the five hubs, three are held in the HRA. This reflects that the properties were originally provided as part of neighbourhood housing development. It may be the case that the future use of the properties no longer contributes to the achievement of housing objectives, as a result of changes to the ways in which the properties are managed, and to the tenure mix of the neighbourhoods involved. Under the proposals set out in this report, it is likely that the future use of the hubs will be significantly to support a wider group of residents than live within Council housing.

3.54 Where the purpose for holding a property is not related to the provision of housing under Part II of the Housing Act 1985, the property should not be held within the HRA. Officers will therefore undertake an exercise to confirm usage of the hubs in line with the proposals, and of the rest of the community portfolio. Decisions on appropriations are delegated to officers, and the workstream will progressed alongside the implementation of the proposals. The main financial implications of appropriations are in revenue terms. These relate to the current budgets and actual income/costs, and to the transfer of debt servicing costs to the GF, based on the market values of the properties involved.

Timescales

3.55 Covid 19 has had a significant effect on the stakeholder engagement process required to progress this work. Government regulation continues to govern the use of community centres. Timescales are therefore indicative and assume the hubs will have low levels of activity in the immediate future

Key stages	Outcome	Time scale
Interim arrangements in place	Hubs engaging with local community through virtual meetings and conversations with stakeholders.	Jan 2021
Each Hub engagement with local community	Understanding of local need Level of capacity of local management established Role of lessee established	April 2021
Establishment/ appointment of umbrella body	Relationship between lessee/ LBTH Relationship between lessee/ hubs	July 2021
Formal arrangements in place	Lease between LBTH and lessee Management agreements between lessee and local management groups	Oct 2021

4 EQUALITIES IMPLICATIONS

4.1 The equality analysis of the proposals to develop community management of the hubs indicates that there is significant potential for people with protected equality characteristics to benefit from the proposals. There is potential for groups representing people with protected characteristics to use the hubs as a venue as well as ensuring the new arrangements make all activities accessible and inclusive.

4.2 Prior to closure due to Covid 19, the hubs that were operational were used to provide services for people with protected characteristics, including youth

work and work with people with mental health issues at Christian Street and a focus on work with people from the Somali community at Granby Hall. While it is not anticipated the proposed change will have a negative impact for these groups, the analysis has highlighted the need for safeguards to be put in place to ensure the council makes appropriate arrangements in the development of community management and also to monitor the equality impact through the proposed performance management agreement. This is reflected in the equality analysis action plan (EAAP).

5 OTHER STATUTORY IMPLICATIONS

5.1 Best Value

The recommendations in this report are closely aligned with the council's Best Value Action Plan, which was drawn up following the issuing of Direction from the Secretary of State for Communities & Local Government in December 2014. Recommendations around establishing community management of community hubs will encourage better utilisation of council assets and will help demonstrate the council's continued compliance with its best value duty.

5.2 Risk Management

The Covid 19 restrictions on public gatherings, use of buildings and, in particular, limiting the use of community centres have highlighted the financial risks of managing premises which rely heavily on income through lettings. While the proposals restrict the range of potential lessees for the hubs to organisations that can demonstrate financial stability, there is a risk that no suitable organisations will feel it is prudent at this time to express an interest in taking a lease on one or more of the hubs. In the event of no suitable lessees coming forward, the council may need to continue to manage the community hubs directly for a period.

5.3 Crime Reduction

There are no specific crime reduction considerations arising from this report, the development of the community hubs provides an opportunity to develop new activities that contribute towards crime reduction.

5.4 Safeguarding

There are no specific safeguarding implications arising from this report. However, ensuring appropriate consideration is given to safeguarding will be addressed in the governance requirements.

6. COMMENTS OF THE CHIEF FINANCE OFFICER

- 6.1 The net reduced income from the Community Benefit Rent Reduction Scheme (CBRR) is currently estimated at a maximum value of £475k for the general fund and £66k for the Housing Revenue Account (HRA). The financial impact of any changes to the number of eligible organisations in the borough will need to be monitored and considered and contained as part of the agreed annual budgets and the Medium Term Financial Strategy (MTFS).

7. COMMENTS OF LEGAL SERVICES

- 7.1 The various options detailed in the report give varying levels of control over council assets to community groups. The level of control will depend on the option which is eventually chosen. However, in any event it will be a substantial benefit to the organisation or organisations that gain control over similar organisations do not have control. This means that the Council must devolve control following a fair and transparent application process to determine the identity of the beneficiary or beneficiaries.
- 7.2 That nature of the application process will depend on the option selected. For example, where the relationship is more akin to providing management services the process will be tendering (Option 2). However, where the Council is looking to devolve greater control of the asset (where the organisations are much more independent) then this may well be a looser application process similar to the Council's grants based processes. In any event some form of evaluation will be required based upon pre-advertised assessment criteria where the identity of the organisation who receives the benefit is the highest scoring applicant.
- 7.3 The Council must also demonstrate statutory Best Value. Therefore, in any event devolution of control of the premises will be subject to some form of agreement detailing the aspirations of the Council in going through this process and to support the Council in monitoring the outcomes. However, the nature of the agreement will depend upon the nature of the desired relationship between the Council and the successful applicant. For example, where the Council is looking to devolve maximum control to the applicant, the purpose would be defeated by a stringent legal contract.
- 7.4 The Council will ensure that any application assessment criteria are compliant with the Council's duties under the Equality Act 2010

Linked Reports, Appendices and Background Documents

Linked Report

NONE

Appendices

- Appendix A Community Hubs Existing Arrangements and Use
Appendix B Locality Report 'Community Hubs in Tower Hamlets' summary
Appendix C Development of Community Management Arrangements

Appendix D Indicative Performance Management Framework

Appendix E Community Hubs Income and Expenditure

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- Locality Report – Community Hubs

Officer contact details for documents:

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Community Hubs Existing Arrangements and Use

Community Hubs Existing Arrangements and Use

Community Hub	Christian Street Community Hub
HRA/GF	GF
Management arrangement	Directly managed (Commercial Team in Facilities Management)
Anchor tenant and/or core users	Current activity
<p>Youth Services: use the first floor from 3.30 – 9pm (Monday to Friday)</p> <p>LBTH meetings: 32%</p> <p>Charity: 17%</p> <p>Commercial: 12%</p> <p>Local Resident: 39%</p>	<p>Building available for local resident and commercial bookings from 8am – 10pm (Monday to Sunday).</p> <p>Safeguarding checks are in place for groups or people providing services to children</p> <p>Working with Hestia (charity providing informal support for local residents with mental health or stress issues) to deliver a community based café style service from 5 – 9pm (Monday to Friday) with extended hours at weekends and Bank Holidays.</p> <p>Published charging structure is applied</p> <p>The building is currently generating sufficient income to cover the running costs. This is due to the presence of an anchor tenant, i.e. Youth Services</p> <p>2019/20 enquiries: 188 2019/20 bookings: 104</p>

Community Hub	Tramshed Community Hub
HRA/GF	GF
Management arrangement	Directly managed (Commercial Team in Facilities Management)
Anchor tenant and/or core users	Current activity
<p>Youth Services: provide services from 5.30 – 9pm (Monday to Friday)</p> <p>Internal: 21%</p> <p>Charity: 13%</p> <p>Commercial: 5%</p> <p>Local Resident: 61%</p>	<p>Safeguarding checks are in place for groups or people providing services to children.</p> <p>Local residents use the Tramshed for Friday Jummah Prayers which are held weekly. There is high usage for Mendhis, engagements and other family celebrations such as birthday parties at weekends.</p> <p>Published charging structure is applied</p> <p>The building is currently generating sufficient income to cover the running costs. This is due to the presence of an anchor tenant, i.e. Youth Services</p> <p>2019/20 enquiries: 133 2019/20 bookings: 66</p>

Community Hubs Existing Arrangements and Use

Community Hub	Bow Community Hub
HRA/GF	GF
Management arrangement	Managed on behalf of LBTH by Poplar Harca on an interim basis through a management agreement
Anchor tenant and/or core users	Current activity
<p>This building does not have an anchor tenant or any core user groups</p> <p>The provision of a lift would help to optimise use of the first floor.</p>	<p>Since June 2019, the hub has provided a venue for a range of community activities. From June to the end of August the following activities took place:</p> <ul style="list-style-type: none"> • Fitness classes • Activities for young people • Sessions for older people • Housing and welfare advice • Education sessions • Parent and toddler sessions • Community safety activities • Karate • GP Link <p>Usage increased between September and November, along with the range of activities. These are additional to those listed above:</p> <ul style="list-style-type: none"> • Yoga and meditation • Coffee morning • Spotlight • Urban Arts • Tutors United • Youth Sustainability Conference • Residents meetings • Volunteer programme • Supper clubs • I AM C&S Ministry Church group <p>Private parties</p>

Community Hub	Granby Hall Community Hub
HRA/GF	HRA
Management arrangement	Managed on behalf of LBTH by Poplar Harca on an interim basis through a management agreement
Anchor tenant and/or core users	Current activity
<p>There is no anchor tenant at Granby Hall.</p> <p>The core users are SSCC, 2 x local TRAs, Bentworth Friendly Club (bingo)</p>	<p>At the end of last year, SSCC moved back to the hub to continue to provide their long-established daily luncheon club (Monday – Thursday and Saturday), with the women’s group meeting on Fridays. At the beginning of the year, Bentworth Friendly Club re-established their twice-weekly bingo club. The two local TRAs are planning to use the building to hold their regular meetings and other activities. A series of open days had been planned to give the community an opportunity to see what the building had to offer.</p>

Community Hubs Existing Arrangements and Use

TRA business activity does not incur a room charge. Charging arrangements yet to be agreed for core user groups for 2020/21 onwards.	
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Community Hub	Raines House Community Hub
HRA/GF	HRA
Management arrangement	Directly managed (Commercial Team in Facilities Management)
Anchor tenant and/or core users	Current activity
The first floor of Raines House will be let to Pollyanna Theatre School at a market rent. This is expected to generate sufficient income to cover the running costs of the building (including management costs)	Refurbishment work on this hub completed December 2020

Locality Report 'Community Hubs in Tower Hamlets' summary

Background

The council commissioned Locality to provide an options appraisal for the future community management of the existing and any future community hubs and high level options for a strategic approach to community hubs and similar buildings across the borough. Locality has also reviewed the performance of 12 community buildings, completed user and stakeholder interviews for each building, identified strengths and weaknesses based broadly on these interviews and are suggesting an approach to performance management to improve and expand service delivery.

Buildings included in the review

1. Bow Community Hub
2. Christian St. Community Hub
3. Granby Hall
4. Tramshed Community Centre (Digby St.)
5. Raines House
6. Kedleston Walk TRA
7. Locksley Hall TRA
8. Longmore Community TRA Centre
9. Ernest St. Community TRA Hall
10. Glasshouse Community TRA Hall
11. Collingwood TRA Hall
12. Cranbrook Community TRA Hall

Key Findings (Section 5)

1. Community Hubs are valued.
2. Hubs have a broad range of activities
3. THC retains the lead role
4. Over reliance on a few "super" volunteers
5. Lack of youth engagement
6. Ethnic and religious diversity perceived as a barrier for some hubs
7. Hubs often poorly advertised.
8. Funding cuts have caused problems
9. Council's commercial charging rates undermine community uses
10. Conflicts occur between different users
11. Some Hubs need improvement to the built structure
12. Some uses deemed desirable but missing from some hubs,
 - a. Youth engagement.
 - b. Projects for the elderly
 - c. Café
 - d. Library and study facilities

Community Hub Model (Section 6)

1. A Community led by locals

2. Multi-purpose
3. Sustainable
4. Integrated services
5. Transforming existing underused buildings
6. A focus for community led regeneration

Strategic Options (Section 8)

1. Better delivery, performance and management within current framework.
2. Better business models/plans to support community groups.
3. Transfers to partners and community organisations e.g. Poplar Harca at Bow Community Hub where 35% commercial hire supports 65 % community uses.
4. One organisation to manage all hubs
5. Possible Community Asset Transfers
6. A network of hubs e.g. improves fundraising

Performance management (Section 9)

1. Local/visitor feedback
2. Report analysis from record keeping
3. Physical inspections- e.g. mystery customers
4. Performance framework to show development over time which would include:
 - a) Strong links locally
 - b) Embracing diversity
 - c) Animating presence
 - d) Good governance –open and accountable, financial and management systems.
 - e) Sustainable-legal and safe
 - f) Measureable social , economic and environmental benefits
 - g) Supporting smaller groups through hiring space
 - h) Demonstrating contribution to local strategic outcomes
 - i) Culture of learning, improvement and collaboration.

Appendices

1. Performance management tools
2. Case studies of each building in scope of the review

Development of Community Management Arrangements

Stage		User Committee	Lessee	Time scale
1.	Establish interim management model	Direct management or council appointed management agent Hub open and operating under interim management model Soft launch for residents and potential users		In place
2.	Establish project group	Asset Manager, SPP Policy Manager, Facilities management, Capital Programmes		In place
3.	Development phase 1:	Project group identifies key stakeholders and interested parties and plans out consultation meetings and events, mapping local issues (Lead – Policy Manager)	Project group agrees criteria and identifies potential lessees Agree process for appointment (Lead – Asset Manager)	Month 1
4.	Development phase 2	Project group works with key stakeholders to consider potential activities, investigate potential management options, including governance structures and membership terms for potential new user committee (Lead – Policy Manager)	Progress appointment of lessee (asset allocation procedures?) Involve stakeholders/user committee (Lead – Asset Manager)	Month 2/3
5.	Review	Review of progress so far		Month 4
6.	Development phase 3:	User committee work with proposed lessee and relevant project group members to finalise and agree mission, values, and terms for running the hub. Reporting measures developed	Finalise lease arrangements (Lead – Asset management)	Month 5/6

		Refining of governance arrangements Formal agreement with new leaseholder/managing agency	Month 7
7.	Launch	Formal hand over Operational under new model	Month 8
8.	Report and review	Initial report and ongoing, regular reporting	Month 12, month 18, month 24

Stage 1 – establish interim management

The interim management arrangements during the development phase are either,

1. Direct management by the council by the facilities management team or,
2. Contracted out management to an experienced community premises management organisation.

The operational model is based on the principles agreed in 2016 for the community hubs, outlined below.

Raines House, Christian Street and Tramshed Hubs are currently directly managed. Granby and Bow are managed under contract by Poplar Harca.

Stage 2 – Establish project group to manage the transition

Officer group established to manage the transition to community management. This group will also invite other stakeholders to join as appropriate.

Stage 3 – Development (Phase 1)

The first task of the project group is establishing the stakeholder group for each hub and planning consultation. The stakeholder group may include,

1. Existing users;
2. Potential users;

3. Local community groups, including faith groups;
4. Other VCS organisations that use outreach bases;
5. Other public services, and
6. Local residents/residents' groups

It is important the stakeholder groups fully reflect the diversity of the local population and, while the project group will be expected to proactively invite and promote participation by key stakeholder groups, others will be welcome to participate.

The project group will be responsible for planning a development process that involves stakeholders through open meetings, on line discussions, individual contact and other engagement mechanisms to ensure stakeholders have the opportunity to be involved. This must take account of any restrictions on public gatherings relating to Covid 19. The process should include a minimum of 3 facilitated stakeholder/ community meetings (hosted at the venue if possible) in addition to outreach visits and one to ones with stakeholders.

Alongside the development of stakeholder groups, the project group will begin the process of appointing the lessee(s) for the community hubs. Detailed criteria will be developed and potential leaseholders identified.

Stage 4 – Development (Phase 2)

The project group will work with the stakeholder group to establish,

1. Level of involvement local stakeholders are able to commit to in future management arrangements;
2. Levels of capacity and expertise currently available and need for capacity building;
3. Management and governance model for local management of the activities at the hub, and
4. Terms of membership of the local user committee.

The project group would also consider the key issues in the relationship between the local user committee and the lessee.

Using the core principles underpinning the hubs model set out in the Locality Report, the stakeholder group will also begin to map out the priorities and operating model for the hub.

Stage 5 – Review progress

The project group will report progress and present proposals for the local management arrangements of the hub to the council.

The council will consider the proposals and, if agreed, proceed to the next stage of transfer to community management.

Stage 6 – Development (Phase 3)

The project group will refine the local management arrangements, set up any governance structures necessary to support them and recruit the new local user committee.

The project group will support the development of the detailed arrangements and memorandum of understanding between the new local user committee and lessee.

Stage 7 – Launch/relaunch hub under new management arrangements.

Performance Management Framework

Outcome	Indicator	Measure
<i>Strong links with the local community. Members of the community are able to influence its operation and decision-making processes.</i>	Is there a steering group or similar with broad local representation?	Steering group terms of reference. Notes of meetings.
<i>Embracing diversity, working to improve community cohesion and reduce inequalities.</i>	Is there a proactive programme to bring communities together	Diversity monitoring. Documentation of Positive programme. Local & visitor feedback
<i>An animating presence</i>	Visitors and enquirers get prompt and helpful responses. New visitors and activities are encouraged and initiated.	Local and visitor feedback
<i>Demonstrating good governance through open and accountable processes, with adequate monitoring, evaluation and financial management systems</i>	Establishment and improvement of relevant systems. Building a local evidence base.	Accessible user figures, transparent income and expenditure information
<i>Capable of sustainably, legally, and safely managing an asset and delivering services from it.</i>	Suitable health and safety, licencing and customer care measures.	Physical evidence on site, spot checks on health & safety. Evidence of an income generation approach
<i>Capable of demonstrating the social, economic, and environmental benefits delivered through the hub and that these link to the council's own desired outcome for the borough as expressed in the Tower Hamlets Plan or clearly demonstrated local need.</i>	Activities that support at least one of: empowering residents and building resilience, promoting healthier lives; increasing employment; or responding to population growth. Plus activities meeting local need.	Activities board/ diary. Local and visitor feedback Evidence of meeting local need Evidence of an income generation approach.
<i>Willing to offer space and support to smaller local groups</i>	Incentives for smaller groups	Activities board/ diary. Local and visitor feedback
<i>Demonstrate how the organisation contributes to the Voluntary and Community Sector Strategy Action Plan.</i>	The Hub contributes to one or more of: <ul style="list-style-type: none"> • Promoting co-production and sustainability • Creating a step change in volunteering • Bringing together businesses and the voluntary and community sector • Maximising the value from resources 	Evidence from other headings on community involvement, collaboration Volunteering records Agreements for business involvement Occupancy rate
<i>Demonstrates a culture of learning, improvement and collaboration</i>	Neighbourhood level partnerships and collaboration. Peer learning across Hubs	Notes and attendance records from learning and partnership events

Community hubs estimated expenditure and income

£	Granby Hall	Raines House	Tram shed	Christian Street	Bow	Total
	£	£	£	£	£	£
Rates	10,624	6,016	8,233	26,112	22,705	73,690
Utilities	11,692	10,440	8,231	6,127	4,462	40,952
Cleaning, security and refuse charges	-	1,093	8,227	1,381	-	10,701
Maintenance and repair (non-capital)	6,643	9,025	207	9,320	8,117	33,312
Total expenditure	28,959	26,574	24,898	42,940	35,284	158,655
Estimated income	-6,480	-8,250	-34,000	-62,000	-6,480	-117,210
Net expenditure	22,479	18,324	-9,102	-19,060	28,804	41,445

Notes

1. The income and expenditure set out in the table is based on the council managing the community hubs. However, as only one hub was operational for a significant period prior to the March 2020 lockdown, these estimates give only a broad indication of income and expenditure. Costs may be significantly different for a VCS lessee. A VCS lessee would be able to seek either 80% or 100% relief for business rates and more local control of the use of utilities may also help reduce overall running costs (see para 3.51 of the main report).
2. Granby Hall and Raines House may need to be revalued before actual rates liability is known
3. Insurance figures are not yet known
4. Income is based on pre Covid assumptions, using 2019-20 income as an indicator of potential income

Community Hubs estimated rental income if leased to VCS organisation

£	Granby Hall	Raines House	Tram shed	Christian Street	Bow	Total
	£	£	£	£	£	£
Estimated gross rent	64,372	25,200	32,396	92,232	50,414	264,614
80% CBRR	51,498	20,160	25,917	73,786	40,331	211,691
Net rent payable	12,874	5,040	6,479	18,446	10,083	52,923