

STOCKTON-ON-TEES BOROUGH COUNCIL

CABINET RECOMMENDATIONS

PROFORMA

Cabinet Meeting1st December 2011

1. Title of Item/Report

Building Asset Review Update

2. Record of the Decision

Consideration was given to an update on the building asset review previously reported to Cabinet in July 2011.

It was noted that the review had a target saving of £1m by 2014/15 and the report outlined a series of proposals, some of which would require further extensive consultation with a range of stakeholders. There were some proposals however where, subject to Cabinet approval, plans for implementation could begin immediately as they would have no impact on the public or service delivery. The strategy aimed to protect services provided in communities with savings delivered through co-location of services and vacation of back office buildings.

The review had also considered and incorporated the outcome of the EIT Review into Children's Centres, the outcome of the Youth Review and also the principles of future library provision reported to members in October. The proposals put forward were intended to improve accessibility to services and facilities, improve viability of community venues and embrace the Council's approach to Community Asset Transfer as well as generate savings. The approach would also support elements of the Third Sector Strategy relating to capacity building and sustainability of the local Voluntary and Community Sector.

Significant progress had been made in planning and delivering the accommodation moves required to reflect the changing service requirements arising from EIT reviews and to address the agreed aim to rationalise space and vacate a number of office buildings as outlined in the previous report to Cabinet. The anticipated timescales and cost savings of these proposals were summarised. Members had previously been advised of the progress made in vacating Gloucester House on the condition that a presence would be maintained in the building until such a time as disposal was deemed appropriate. Cabinet was advised that there may now be an opportunity to release the building earlier than originally anticipated for a use which was likely to be compatible with the

regeneration objectives for the Town Centre. The proposals were subject to further negotiation and agreement, and it was therefore recommended that the position regarding vacation of the building be kept under review. If this could be achieved however, it would release the savings of £71,000 per year, as well as generating a significant capital receipt and providing a viable use of the building.

It was noted that a review would have to be undertaken regards the long term use and viability of the Education Centre which was currently used for a range of services but was projected to have a significant reduction in income, largely relating to a loss of external income from services that were previously funded from government grants.

Cabinet had previously outlined the approach to considering community buildings and the principle of developing co-located facilities. The current arrangements were that buildings were primarily seen as being for a single purpose, historically managed by different services within the Council and there was minimal joint usage and sharing of facilities. Many of the Council's services delivered in the community were however potentially 'portable'; i.e. they could take place at or be delivered from a relatively flexible range of buildings or locations in the community. Whilst some may require discrete space, there was no necessity for separate buildings, the key issue being the services delivered in the area. The buildings within this category were Community Centres, Childrens Centres and Libraries and the current premises related budget for each was submitted.

The review was considering the utilisation of current buildings, the potential for improved utilisation and shared facilities and the most appropriate facility from which to deliver Council and Community based services. In line with previous reports, they would be considered in the following categories:

Level 1 – Buildings we would retain for delivering fixed / core services.

Level 2– A clear need for the building to be maintained to deliver community services

Level 3 – No clear rationale for retaining the building due to level of usage, potential to utilise other buildings in the area etc.

Level 4 – Building identified for sale.

The Council had in recent months, however, started to move to models of integrated service delivery and joint use of buildings e.g.

- Co-located Library and Service Centre at Thornaby
- Co located Library and Service Centre opened in November in

Stockton.

This significant investment was already showing increased levels of access and there were opportunities for exploring similar models of service delivery across the Borough and other service areas.

It was noted that the Council had differential arrangements for the support, funding and management of community centres. There were currently 18 centres where there were lease arrangements in place with trustees of community groups who had responsibility for running and managing the centres. The Council had responsibility for funding capital maintenance of the centres but otherwise there was little annual financial support. The majority of centres therefore fell into the category of Level 2, i.e. there was evidence of need for the building to deliver community based services. There were however maintenance issues for a number of centres which, given the pressure on Council resources, would compete with other priorities to enable investment.

The initial work has also identified some capacity and skills issues with regard to the management of the centres and it was noted that there were also opportunities to explore asset transfer which could deliver significant benefits to organisations involved with such buildings, not least the opportunity to bid for funding which was not available to the Council and could enable investment to help address maintenance and condition issues. Other potential benefits of transfer would be the improvement to the long term future and viability of the centre and the potential to create stronger, more sustainable community organisations

Any transfer would however need the express agreement of leaseholders and trustees. It was also of note that the majority of arrangements in place were with community groups who may struggle with the capacity to develop asset transfer proposals and would also struggle to meet the criteria within our agreed strategy. Catalyst were lead partners on a bid for the Transforming Infrastructure Fund and one element of the bid, if successful, included some dedicated resource to facilitate the development of a Community Asset Trust, and to develop a forward strategy to enable this to be self sustaining. This would potentially provide all of the benefits of transfer whilst retaining the use of centres by management committees, as well as developing capacity within the sector to improve and enhance the management of the facilities. It was proposed that Council support this approach and work with Catalyst to explore opportunities. The work to date suggested that there may be some opportunities to explore rationalisation of facilities where specific buildings fell into the level 3 category. Cabinet approval was sought to allow detailed work and consultation to be undertaken with the respective management committees concerned.

Cabinet was advised of the 5 community centres directly managed by the Council and it was suggested that consultation now be undertaken with the management committees of each around reviewing arrangements with a view to removing the Council's subsidy over a 3 year period with appropriate support. This could be a combination of reducing costs through reviewing building management, increasing the income from improved commercial arrangements or exploring asset transfer. In addition to the benefits already outlined, these centres would also benefit from a reduction in business rates which would contribute to the cost reductions.

The report also identified a number of geographical areas where the Council would no longer directly deliver services, but would commission services from partner organisations. Potential providers would have the option to deliver services from the current buildings or from elsewhere in the area, and the costs associated with these options would be considered as part of the procurement exercise. It was therefore currently unclear whether there would be any ongoing requirement for these buildings or whether they would be surplus to requirements. The buildings in question were the New Life Family Centre (Billingham), Frederick Natrass (Norton) and Riverbank (Thornaby).

Should these buildings continue to be required for Childrens Centres, then in line with the principles of the Strategy, the Council would look to maximise community use and would seek to progress Asset Transfer for New Life Family Centre and Riverbank Family Centre, and ensure any agreement enables childrens centre use and look to maximise community use. The Council had also received an application from the current leaseholder of New Life and this would be progressed in line with the Asset Transfer Strategy.

The situation regards Frederick Natrass was however different. The Centre was close to the Primary school (it was formally part of the same building). Cabinet in October had noted the Council's position around school places and capital and there were a number of examples where school buildings which had previously been surplus to requirements were needed to be brought back into use to manage increases in places. Given the potential growth and volatility of pupil projections, we would not wish to transfer this facility and depending on the outcome of the Childrens Centre procurement we would look at a short term lease / use arrangement to enable enhanced community based services to be delivered.

Following the review of Children's Centres, the current building at Thornaby Family Centre would be surplus to Council requirements and

would be made available for transfer, which would save £25,000 per annum in running costs.

The library strategy previously approved by Cabinet agreed that there was a need for a differential approach to service provision along the lines of a hub and spoke model with a core facility in each of the main urban conurbations complemented by community facilities within localities. The emphasis on enhanced main sites, open longer hours and providing a wider range of services, required some capital investment but made better use of resources through reduced future revenue costs. The next stage of this review would assess options for co-location of services and consider the benefits and impacts prior to a further report to Cabinet.

Consideration was also given to the position with regard to other Council properties such as 98 Dovecot Street, 62 Dovecot Street, the Youth Space at Skinner Street, Stockton, as well as the progress regards youth café provision in the borough.

RESOLVED that:-

1. Officers be authorised to work with Community Groups to explore opportunities and options for asset transfer in line with the approved Asset Transfer Strategy, including working with Catalyst exploring the option of developing a Community Asset Trust.
2. Cabinet approve discussions progressing on the transfer of the New Life Centre following the approach by the current leaseholder and to advertise the following assets for transfer and/or disposal:
 - Riverbank (this will include a condition of use as a childrens centre)
 - Thornaby Family Centre
 - 98 Dovecot Street
 - Wrensfield Community Centre
3. Cabinet agree to explore the option for co-location of Services and rationalisation of facilities outlined in the report including consultation with stakeholders.
4. Cabinet approve the proposed review of the current utilisation of the Education Centre and assess its future long term viability.

3. Reasons for the Decision

To update Cabinet on the progress of the EIT review of assets and

outline further areas to be explored.

4. Alternative Options Considered and Rejected

None

5. Declared (Cabinet Member) Conflicts of Interest

Councillors Coleman and Rose each declared a personal, non-prejudicial interest in respect of the item entitled Building Assets-Update as a result of their membership of Catalyst. Councillor Nelson also declared a personal, non-prejudicial interest as a result of being a school governing body member of Frederick Natrass Primary School.

6. Details of any Dispensations

Not applicable

7. Date and Time by which Call In must be executed

Midnight on Monday 12 December 2011

Proper Officer
06 July 2011