

## CABINET ITEM COVERING SHEET PROFORMA

### **AGENDA ITEM**

### **REPORT TO CABINET**

**27 NOVEMBER 2013**

### **REPORT OF CORPORATE MANAGEMENT TEAM**

## **CABINET DECISION**

**Corporate Management and Finance** – Lead Cabinet Member – **Councillor David Harrington**

**Arts, Leisure and Culture** – Lead Cabinet Member – **Councillor Ken Dixon**

**Access and Communities** – Lead Cabinet Member – **Councillor David Coleman**

**Children & Young People** – Lead Cabinet Member – **Councillor Ann McCoy**

### **ASSET REVIEW, SCHOOL CAPITAL AND SITE DISPOSAL UPDATE**

#### 1. Summary

This report provides an update on the EIT Asset Review and the Schools Capital Investment Strategy, building on earlier reports to Members.

The Report summarises progress in implementing the recommendations in respect of the review of Libraries and provides an update on progress around Asset Transfer arrangements with a recommendation of transfer in respect of a number of buildings.

#### 2. Recommendations

1. That progress with respect to implementing the agreed Libraries Strategy be noted and specifically that:

- a. the building housing the existing Roseworth Library be marketed for disposal.
- b. the building housing the existing Roseberry Library, Billingham be marketed for disposal.
- c. the negotiations regarding the sale of the building at Westbury Street Library, Thornaby be noted and that the building should be marketed for disposal should these negotiations not reach a successful conclusion.

2. The following four buildings be asset transferred to the OnSite Community Building Trust:

- Elmwood Youth and Community Centre
- Grangefield Youth and Community Centre
- Robert Atkinson Youth and Community Centre

- Stillington Youth and Community Centre

3. That Members note that the full annual saving of £195,000 in respect of the four Youth and Community Centre Buildings will be delivered from 2015/16. The 2014/15 saving, and previously identified MTFP funds, to be used to support the transition costs of £120,000 and also provide match funding of £200,000 for the provision of essential building maintenance.
4. That the updated position with respect to the potential community asset transfer of the Ragworth Neighbourhood be noted, with a further report to be considered at a future meeting of Cabinet.
5. That, following consideration of detailed business plans, the asset transfer of the Primrose Hill Community Centre building to Three Score Years and Ten be approved.
6. That the update to the Schools Capital Investment Strategy be noted and the approach agreed
7. That the position relating to the proposed re-location of Crooksbarrow Primary School to the site of the Education Centre be noted.
8. That the sites set out in Appendix 1 be noted as being available for release as sites for affordable housing

### 3. Reasons for the Recommendations/Decisions

Implement proposals for Library Strategy and Community Assets and agree land disposal plans.

### 4. Members' Interests

Members (including co-opted Members) should consider whether they have a personal interest in any item, as defined in **paragraphs 9 and 11** of the Council's code of conduct and, if so, declare the existence and nature of that interest in accordance with and/or taking account of **paragraphs 12 - 17** of the code.

Where a Member regards him/herself as having a personal interest, as described in **paragraph 16** of the code, in any business of the Council he/she must then, **in accordance with paragraph 18** of the code, consider whether that interest is one which a member of the public, with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice the Member's judgement of the public interest and the business:-

- affects the members financial position or the financial position of a person or body described in **paragraph 17** of the code, or
- relates to the determining of any approval, consent, licence, permission or registration in relation to the member or any person or body described in **paragraph 17** of the code.

A Member with a personal interest, as described in **paragraph 18** of the code, may attend the meeting but must not take part in the consideration and voting upon the relevant item of business. However, a member with such an interest may make

representations, answer questions or give evidence relating to that business before the business is considered or voted on, provided the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise (**paragraph 19** of the code)

Members may participate in any discussion and vote on a matter in which they have an interest, as described in **paragraph 18** of the code, where that interest relates to functions of the Council detailed in **paragraph 20** of the code.

**Disclosable Pecuniary Interests**

It is a criminal offence for a member to participate in any discussion or vote on a matter in which he/she has a disclosable pecuniary interest (and where an appropriate dispensation has not been granted) **paragraph 21** of the code.

Members are required to comply with any procedural rule adopted by the Council which requires a member to leave the meeting room whilst the meeting is discussing a matter in which that member has a disclosable pecuniary interest (**paragraph 22** of the code)

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## **DETAIL**

### Background

1. Members will be aware of previous reports outlining the approach to building assets and investments in schools capital, with the latest being presented to Cabinet in May 2013.
2. The reports sought approval to explore options and opportunities relating to the utilisation of assets in the context of ongoing service reviews and opportunities for Community Asset Transfer, including the creation of a Community Building Trust. The Report in May 2013 also presented an agreed approach to the delivery of a Libraries Strategy. This report provides an update on progress, with specific recommendations regarding the creation of a Community Building Trust and subsequent asset transfer of four community buildings..
3. An update on the implementation of the Review of Libraries is presented, together with specific recommendations with respect to two buildings that will no longer deliver library services.
4. This is the fifth in a series of reports on the EIT Asset Review. The Review has financial savings targets of £250,000 in 2012/13 and £1,000,000 per annum in 2013/14. The target for 2012/13 was achieved and while there will be some delays in the timing of delivery of savings relating to the Education Development Centre and the Libraries Review, by 2015/16 the review is expected to exceed its target by £300,000.
5. The Report also presents an update on the Schools Investment Strategy.

## **LIBRARIES STRATEGY**

6. In September 2011, Stockton Borough Council Cabinet approved a differentiated Library Service model where some library sites will have a larger range of products and services and be open longer hours, whilst others will be reduced. Opportunities for co-location of library services with other community facilities were to be considered.
7. In May 2013 Cabinet agreed the implementation of a series of changes to the delivery of individual libraries based on the findings of the Review and on extensive public consultation and these are in the process of being implemented

### Co-location of Roseworth Library with Redhill Childrens Centre

8. Following Cabinet agreement to co-location of library services in the Redhill Childrens Centre, work is progressing with the physical works to the building to facilitate this change. These works are expected to be complete by March 2014. The building will offer a staffed library presence with access to information and communication technology and will also include Radio Frequency Identification self-service book issuing facilities.
9. The building will be designed to ensure the security of children attending the Nursery, Creche and Children's Centre services but would offer parents the opportunity to visit the library at the same time.
10. Once the move is complete, it is recommended that the current library building be marketed for disposal.

### Co-location of Thornaby Library (Westbury St) with Riverbank Childrens Centre

11. Work is progressing to facilitate the co-location of services within the Riverbank Childrens Centre and this is expected to be completed by March 2014. The building will offer a staffed library presence with access to information and communication technology and will also include Radio Frequency Identification self-service book issuing facilities.
12. It was agreed previously that options for the current building be considered as part of the ongoing review of assets. Subsequently an opportunity has arisen to work with the local GP Practice to allow expansion of their valuable community service. Discussions are on-going with the objective of achieving a sale at market value. Should this not be possible then it is recommended that the building be offered for disposal on the open market.

### Billingham Library Provision

13. The construction of the new £2.8m integrated library and contact centre in Billingham Town Centre is progressing well and this is expected to be open to the public early in 2015.
14. Once completed, the current site of Roseberry Library will be surplus to requirements, and it is recommended that this be advertised for disposal.
15. In line with the cabinet recommendation on 16<sup>th</sup> May, Bedale library will be advertised for community asset transfer. This process will commence shortly, with the results being considered by a future meeting of Cabinet.

### **COMMUNITY BUILDING TRUST**

16. The Report to Cabinet in December 2011 outlined the need to reduce Council subsidy on community buildings. It explained that in the majority of cases there was a demonstrable community need for a facility in the local area, but that the operation of these facilities involves a substantial annual subsidy of £360,000 (including Ragworth Neighbourhood Centre, which is discussed further below) from the Council. It was therefore proposed that consultation be undertaken with management committees with a view to removing the Council subsidy over a three year period. Options to be considered were to include that of community asset transfer.

17. Cabinet, in May 2013, endorsed the principle of the development of a Community Building Trust and, subject to development of a satisfactory business plan, agreed the consequential asset transfer of the buildings highlighted in that previous report, namely:-

- Elmwood Youth and Community Centre
- Grangefield Youth and Community Centre
- Robert Atkinson Youth and Community Centre
- Stillington Youth and Community Centre

18. Catalyst have worked with the community organisations and have now presented a business case to the Council which would see the centres transfer to a new organisation, OnSite Community Building Trust. The management committees of the four Youth and Community Centres have worked with Catalyst and the Council and have been supportive of the developments to date – subject to final ratification by individual committees once the final structures and arrangements are known.

19. Their work on a community asset trust model has led the Catalyst Board to the conclusion that development of a Community Building Trust, using the governance framework of a company limited by guarantee with charitable status, can deliver a sustainable model for the future management of community building assets. Under this model specific community assets would be transferred to the Community Building Trust to be operated and managed by that organisation. The board of the Company would include community representatives from each of the current management organisations.

20. The key aspects of the business plan are as follows:

All four buildings will be operated under one management structure, thereby allowing economies of scale in staffing to be achieved. A standardised pricing structure will be introduced across all four buildings, which will aim to be fair and equitable to all users and competitive to similar facilities in the Borough. A centralised booking system will be introduced, whereby users can book rooms in any of the four centres, which will maximise usage and income from room hire. An improved marketing strategy, via internet and social media will also be introduced so that the Trust reaches a wide user group and ensure maximum use of the centres.

Successful implementation of the above results in the organisation projected to be in a breakeven position after three years, with a satisfactorily level of balances to ensure the organisation remains sustainable into the future.

Benefits would include:

- Protection of long term future of assets
- Access to grant funding
- Financial benefits of charitable status e.g. NNDR/VAT
- Opportunities to maximise usage and income via centralised booking system
- Reduced cost structure
- Potential training opportunities
- A vehicle for future transfers

21. The business plan has been considered against the criteria outlined in the Council's Asset Transfer Strategy and it demonstrates:

- A detailed, sound, business and financial plan
  - Strong Governance arrangements based on a separate company structure
  - Strong commitment to maintain and enhance community services and provide community benefits
22. The business plan demonstrates that that annual savings to the Council amounting to £195,000 can ultimately be generated by the model set out by the OnSite CBT. However, previous reports have recognised that it would be necessary to provide tapered financial support over the first three years to facilitate progression to the new model. The business plan requires the provision of a one-off injection of funding from the Council of £120,000, to be funded from a first call on the saving in the first financial year to manage the transition.
  23. The existing management committees of the four buildings have been involved throughout this process and have provisionally agreed to transfer their existing balances into the new Trust.
  24. The proposal identifies and recognises there are maintenance issues in the buildings and commits to seeking to access funding to improve the facilities. This may require match funding however and it is therefore recommended that £200,000 be established to support these improvements. Again this would be funded from the initial savings and also from a sum of £100,000 earmarked in the MTFP to support community asset transfer.
  25. Further detailed work is required with respect to finalisation of staffing issues (TUPE) and legal arrangements and, if approved, the transfer will take place on 1<sup>st</sup> April 2014. This means that the full saving of £195,000 per annum will be generated from 2015/16 onwards. As a result of this process, it is recommended that asset transfer to the Onsite Community Building Trust be approved, with the details of the lease arrangements delegated to the Director of Law and Democracy in conjunction with the Cabinet Member for Corporate Management and Finance.

## **COMMUNITY ASSET TRANSFER**

### Ragworth Neighbourhood Centre

26. The previous report agreed that this asset be advertised as being available for asset transfer following expressions of interest being received.
27. One organisation is currently developing a business plan and this will be assessed once it is received. The results will be presented to Cabinet in the new year.

### Primrose Hill Community Centre

28. It was agreed previously (Cabinet November 2012) that this vacant property be advertised for expressions of interest in community asset transfer. Three expressions of interest were received and the three interested organisations were invited to provide their detailed business cases.
29. Business cases were received from the following three organisations:
  - Three Score Years and Ten
  - Acts of Love International - Church



- Redeemed Christian Church of God

These business cases have been reviewed against the criteria set out in the Council's agreed Community Asset Transfer Strategy, "Let's Share" and scored accordingly. The strongest proposal was that of Three Score Years and Ten, a Community Interest Company, dedicated to safeguarding older and vulnerable people. The Company was established in 2009 and already provides support to older people in Stockton through a variety of home based services, such as, personal home care, handyman, gardening, befriending and cleaning services.

30. Their proposal is to use the additional premises of Primrose Hill Community Centre to run a day care service. The proposal demonstrates an ambitious plan for the future of the building, which will see the Centre transformed, to enable the provision of day care services to the elderly and will include high quality leisure, learning and cultural activities.
31. A full package of day care services will be provided, and transport will be available to enable clients to access the centre. There will also be kitchen, which will be used to provide meals to clients and allow the organisation to provide a service where meals can be taken home.
32. As a result of this process, it is recommended that asset transfer to the Three Score Years and Ten organisation be approved, with the details of the lease arrangements delegated to the Director of Law and Democracy in conjunction with the Cabinet Member for Corporate Management and Finance.

## **SCHOOL DEVELOPMENTS UPDATE**

### Priority Schools Building Programme

33. Members will recall that the Council were successful in bidding for funding in respect of 4 schools from the Priority Schools Building Programme and progress is outlined below.
34. The scheme to rebuild Ian Ramsey CE VA School has now commenced, with the new school facilities scheduled to be available from September 2014. This scheme is being delivered directly by the Education Funding Agency (EFA) and is funded by capital grant.
35. Work is underway in planning for the rebuild of Mandale Mill Primary School in Thornaby. This will create a 60 Pupil Admission Number (PAN) school on the existing site. This will be a PFI scheme and it is anticipated that this will be completed by September 2015.
36. Initially the Council were informed that Grangefield and St Michael's RC secondary schools would not be completed until later stages of the programme. It is pleasing to report that in recognition of the condition issues at these schools, they have now been brought forward and design work has commenced. The current plans are that building work will commence in 2014, with the new school buildings being open for September 2015.

### Primary Basic Need Capital Investments (Pupil Places)

37. The previous report to Members in June 2012 outlined an emerging picture of pressure in primary school places across a number of areas of the Borough. I Capital investment strategy targeted at addressing the most pressing issues. Significant investment was agreed in respect of the following schools:

- St Francis of Assisi CE VA School, Ingleby Barwick
- Barleyfields Primary School, Ingleby Barwick
- Christ the King RC VA School, Thornaby
- St Marks CE Primary School, Stockton
- Junction Farm Primary School, Eaglescliffe

38. Schemes are now in the process of being delivered, with the expanded facilities expected to be operational by the summer of 2014.
39. A scheme to increase the capacity and size of Northfield School on one site in Billingham was previously agreed and is now in the process of being delivered. Completion of the Scheme will free up the site of the former Campus School on the Marsh House Avenue site. The Report to Cabinet in May 2013 set out proposals for the future of the site, including the development of a vocational campus. It was noted that there is an excellent, and well used, sports facility and vocational training block on the site and that options were being explored to retain and use these facilities possibly through a partnership with the Schools, Colleges and the PRU to create a hub for vocational provision for disengaged learners. A successful bid has been made to the recently announced 16-19 Demographic Growth Fund. This will provide funding to build a new maths and English block to support young people with emotional, behavioural and social needs, and those who are disengaged and none motivated. The proposed completion of this project in line with the set criteria for the bid is March 2015.
40. The report to Cabinet in May 2013 outlined an option to relocate Crooksbarrow School to the Education Centre Site (following cabinet approval to vacate this site in November 2012). This option would address primary school capacity issues for the North Stockton Area. The report made clear that a bid would be made to the Targeted Basic Need Fund and also that an element of the Education Centre Site would be made available for disposal. This was accepted by Cabinet as the preferred option, subject to a detailed feasibility study.
41. The bid to the Targeted Basic Need Fund was unsuccessful and therefore work is currently being undertaken to re-assess the scope and costs of the project. Once this is completed, a final recommendation will be made to Cabinet.
42. The previous Cabinet Report outlined a number of developments and disposals associated with school sites and work is now underway to plan the work, determine the optimum disposal plans and understand the cash flow aspects of the schemes. Members will recall that an element of the school basic need funding was retained to support any cash flow issues and this will be considered as part of the Council's MTFP/Budget report.
43. Following the flooding of the premises occupied by the Pupil Referral Unit in Bishopton, the provision was relocated to the ex City Learning Centre and Technology Block premises on the Campus site in Billingham. This arrangement is working well and will now continue. Cabinet (21<sup>st</sup> February 2013) have approved the demolition of the Bishopton Premises, with funding identified from one-off resources.

## **2 Year Old Entitlement - Capital Allocation**

44. A capital allocation has been received in respect of developments to support the entitlement of Two Year Olds to Nursery/Childcare provision. The Tilery area has been identified as having the highest need for such provision and a feasibility study was therefore undertaken on an option to expand provision at the Tilery Primary School Site,

dovetailing with the existing school nursery provision. Capital grant of £391,000 is available. The design has been agreed and is currently out to tender with a view to starting work in November and completing by Easter 2014.

## **AFFORDABLE HOUSING DEVELOPMENTS**

45. Members will be aware of the need to deliver affordable housing and the Council are looking at various ways of supporting this priority. As part of the Asset Review a number of small sites have been identified as having the potential to be used for this purpose and these are as listed in Appendix 1.

46. It is recommended that these sites are released and providers appointed from the Housing Framework Contract to progress these sites.

### **Frederick Natrass School Field**

47. This site was formerly part of Frederick Natrass Primary School, but was not used or required by the School and has therefore not been transferred to the new Academy Trust as part of the School's recent academy conversion. The site does not have a high development value and therefore no net capital receipt could be anticipated.

48. The report to Cabinet in May 2013 contained a specific recommendation that this former school field should be made available in part for affordable housing. However, subsequently an opportunity has arisen to develop for affordable housing the nearby Abbey Hill Workshops Site. This alternative would allow the Frederick Natrass Site to be retained as open space, which in turn would protect the amount of open space in that area and also supports the preferred option for the EDC Site, which would include development of the area of the site not required for school use.

49. It should also be noted that an expression of interest in community asset transfer has been received from a local sports/youth organisation for the Frederick Natrass Site and this is currently being considered.

## **FINANCIAL IMPLICATIONS**

56. The asset review has a target saving of £1m by 2013/14. Once all the proposals around the libraries & community assets aspects are agreed and implemented, the savings achieved will be approximately £1.4m and will therefore exceed the target from 2015/16.

## **LEGAL IMPLICATIONS**

57. Legal support will be required for the implementation of the Community Building Trust

## **RISK ASSESSMENT**

58. This is categorised as medium risk and will be covered by existing management control mechanisms.

## **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

59. Contributing to the Council's support mechanisms to community sector organisations.

## **EQUALITIES IMPACT ASSESSMENT**

60. EOI's have previously been produced in respect of the proposals relating to the Libraries Service. Copies are available in the Members Library.

#### **CONSULTATION INCLUDING WARD/COUNCILLORS**

61. The options outlined in the report will be subject to full consultation with Ward Councillors and Community Groups.

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**Update on potential affordable housing sites**

Site name/location
Land west of 365-371 Wesley Place, Norton
Hamsterley Road, Hardwick
Humbledon Road, Hardwick
Gainford Road, Billingham
Lundale Road Billingham
Hive Close, Ragworth
Londonderry Road, Newtown
St Ann's Terrace, Portrack
Cowpen Crescent, Hardwick
Car park- adjacent to Parkfield Hall
Church site – adjacent to North Tees Hospital