

**AGENDA ITEM**  
**REPORT TO CABINET**  
**12 JUNE 2014**  
**REPORT OF**  
**CORPORATE**  
**MANAGEMENT TEAM**

**CABINET DECISION**

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

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

1. Summary

This report provides an update on the Asset Review and builds on earlier reports to Members.

The Report summarises progress in implementing the recommendations in respect of the Review of Libraries, provides an update on progress around Asset Transfer arrangements and provides a recommendation around the future of the Education Centre Site.

2. Recommendations

1. In respect of progress in implementing the agreed Libraries Strategy, Members:
  - a. Note that the co-location of services with Redhill and Riverbank children centres has been completed.
  - b. Note that the old library building in Thornaby is in the process of being sold to a GP practice ensuring the building is used to support Health and Community Services
  - c. Note that the former site of Roseworth Library is currently being marketed for disposal.
  - d. Approve the disposal or Asset Transfer of the sites of Roseberry and Bedale libraries following the opening of the new facility in Billingham Town Centre.
2. Note the successful transfer of the following four buildings 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. Given the successful transfer of the assets above and subject to the completion of a satisfactory business case, members approve that Ragworth Neighbourhood Centre and Norton Community Resource Centre be transferred to OnSite Community Building Trust with effect from April 2015. The review of the business case and the completion of terms and conditions be delegated to the Directors of Resources and Law and Democracy in consultation with the Cabinet Member.

4. Following the previous decision to vacate the Education Centre, members now agree that the site is marketed for disposal with the services relocated (mainly to Stockton 6<sup>th</sup> form College).
5. That the progress is noted around the development of a Vocational Educational facility on the site of the former campus school. Members approve that the Pool on the site in the first instance is advertised for asset transfer / lease and if this is not successful then the pool be decommissioned.
6. That the progress in the disposal of surplus land and the development of the Norton site to deliver the playing pitch strategy be noted.

3. Reasons for the Recommendations/Decisions

To 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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**RECOMMENDATIONS**

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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 November 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. This report provides an update on progress, with specific information regarding the creation of a Community Building Trust and subsequent asset transfer of four community buildings.
3. This is the latest 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 thereafter.

### **CO-LOCATION OF LIBRARIES**

4. Following Cabinet agreement for the co-location of library services from Roseworth Library in the Redhill Childrens' Centre, work has now been completed and the facility is open to the public. The building offers a library presence with access to information and communication technology and will also include Radio Frequency Identification self service book issuing facilities.
5. The former library site at Roseworth is now being marketed for disposal and there is significant interest.
6. The co-location of services from Westbury Street Library to Riverbank Childrens' Centre is now also complete and open to the public. This has ensured that these facilities have remained in the community whilst delivering financial savings to the Council.
7. The former Westbury Street Library is in the process of being sold to a local GP Practice which will allow expansion of their service and will generated a capital receipt and ensure continued use of the buildings within the community.
8. The construction of the new £2.8m integrated library and contact centre in Billingham Town Centre is well underway and this is expected to be open to the public in early 2015. This will release Roseberry Library and Bedale Library and Cabinet have previously agreed to market Roseberry for disposal and Bedale for Asset Transfer. There may now however be commercial interest in Bedale and in line with the Asset Transfer Strategy it is now recommended that this be marketed for disposal or Asset Transfer.

## COMMUNITY ASSET TRANSFER

9. The Council has demonstrated its support for the principle of Asset Transfer through the adoption of an Asset Transfer Strategy and model and there are now positive examples of the strategy being delivered.
10. 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.
11. Following the endorsement of the principle of the development of a Community Building Trust in May 2013, the report to Cabinet in November 2013 outlined the key aspects of the OnSite Community Asset Trust business plan and approved the transfer of the following buildings which would remove the Council subsidy:
  - Elmwood Youth and Community Centre
  - Grangefield Youth and Community Centre
  - Robert Atkinson Youth and Community Centre
  - Stillington Youth and Community Centre
12. The trust has now been established, using the governance framework of a company limited by guarantee with charitable status, and this can deliver a sustainable model for the future management of community building assets. The Community Building Trust is a separate legal entity to Catalyst.
13. Following a significant amount of joint working by the Council and OnSite, the transfer has now been undertaken and the facilities are managed by OnSite. This means that the buildings are retained for community use, with OnSite having ambitious plans to increase opportunities for use of the building with the Council ultimately saving £200,000 per annum.

### Ragworth Neighbourhood Centre / Norton Grange Community Centre

14. The previous report agreed that Ragworth Neighbourhood Centre be advertised as being available for asset transfer following expressions of interest being received.
15. The report to cabinet in November 2013 confirmed that one organisation was developing a business plan and this was expected early this year. Unfortunately, the organisation have now withdrawn from the process and will no longer be submitting a proposal.
16. The same organisation were also previously managing Norton Grange Community Centre. In March 2014, they were unable to continue with this arrangement and have returned this building to the Council. This is currently being managed by staff from Ragworth on an interim basis.
17. Previously, Onsite (as part of their proposal outlined above) had expressed an interest in managing and transferring Ragworth to be included in their portfolio of Assets. They however withdrew their expression on the basis they did not wish to compete with another Voluntary Sector organisation. At the time of advertising, no other expressions of interest were forthcoming.
18. OnSite have indicated that they would be keen to transfer the building into the Trust and this would give the same benefits as the buildings covered in the previous business plan. It is therefore suggested that OnSite develop a business case for the proposal and

subject to this being satisfactory a transfer is approved. This is likely to mean that the transfer occurs early in 2015. Given that Norton Grange is being managed by Ragworth staff and the two buildings are geographically close, it is also suggested that this building be included in the proposal.

19. The Council have also received an expression of interest from Five Lamps to transfer the ownership of the building they currently lease from the Council (5 Lamps centre, Eldon Street, Thornaby). In line with the Asset Transfer Strategy, we have requested a business case be presented and again this will be considered and reported to cabinet in due course.
20. Previous Cabinet reports noted an expression of interest from New Life Church in respect of the centre they currently lease from the Council in Low Grange Avenue, Billingham. A business case has now been received, is being evaluated and will be reported to Cabinet in due course.
21. An expression of interest has also been received in respect of East Avenue Community Centre and Langdale Road from Billingham Environmental Link Partnership
  - East Avenue – this is currently leased to a management committee and given they are supporting BELP's proposal, which is to operate the facility as a not for profit nursery facility. In line with the Asset Transfer Strategy, there is no need to advertise the property. BELP have therefore been advised to submit an a business case for the proposal.
  - Langdale Road – this is currently empty and as such in line with the Strategy is being advertised for Disposal or Asset Transfer with BELP's proposal considered alongside any others.
22. Members will be aware of the issues surrounding Wrensfeld House / Bishopton Centre caused by flooding in the area. There has been some interest in the buildings however given the condition issues there is no feasibility of Asset Transfer or future use. The buildings are also in the area covered by the flood defence scheme for the area and as such they will now be demolished in line with the previous Cabinet decision. Wrensfeld community centre is in close proximity but is outside of the area covered by the scheme and is currently vacant. This will be advertised to determine whether there is any community interest and if none is forthcoming, then this will also be demolished.

### **Education Centre Site**

23. 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 on November 2012). This was at the request of the school but it would have also assisted in addressing 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 an element of the Education Centre Site would be made available for disposal.
24. The report to Cabinet in November 2013 confirmed that the funding bid was unsuccessful and that the feasibility exercise would re-assess scope and costs of the proposal and this has now been undertaken.
25. It is also worthy of note that the Scrutiny Programme includes a review which will examine pupil places across the Borough. This will include the consideration of:

- Admission criteria
  - Admission zones
  - Current school capacity
  - Current and future Pupil Admission Numbers (PANS)
  - Options for increasing capacity (school expansion, new schools etc)
26. This initial phase of the review will include North Stockton and is expected to report to Cabinet in November 2014, with any suggested changes in school sizes and admission numbers subject to formal consultation.
27. The costs and feasibility of converting the Education Centre into a 2 form entry school have however been explored and some issues are outlined below:
- The traffic survey and safety audit indicated that whilst there are some issues to resolve, these would not preclude the development of the site. In particular, there would need to be careful thought to:
    - Pupil drop off and collection.
    - A crossing at junction road (given the number of children crossing from the estate opposite).
  - The costs of converting the centre to a school are extensive, estimated at £3.6m. To put this into context, the estimated cost for a new build Primary school for the same number of pupils is £5.2m. We have also recently increased the capacity of a number of schools and in one case increasing by an additional form has cost £2m.
  - The building will still be an old building and as such there will be:
    - Ongoing repairs and maintenance requiring further capital investment in the future.
    - Issues around energy efficiency compared to a new build option.
  - The redevelopment of the Education Centre would significantly impact on the Capital Receipts generated by the Council. If the site were to be developed, then the value of the capital receipt for the residual land is estimated at £1m, whilst the value of the full site is estimated to be least £2.5m. The proposed development of the site would result in demolition of the buildings, the cost of which has been factored into the estimated receipt, and takes account of planning requirements through allowing a significant amount of open space within the site. The opportunity cost of this option is therefore £1.5m.
28. There have been no other proposals made surrounding alternative uses for the site.
29. There are a number of other options for expansion / extension to increase pupil places in the North Stockton area (e.g. expansion or rebuild of Crooksbarrow on the current site, expansion of Frederick Nattrass) which would be more cost effective than converting the existing building at the EDC. These will be considered as part of the scrutiny review and subject to formal consultation.



30. It is therefore recommended that Cabinet acknowledge that the current site is not ideal for a school and it is not appropriate for a relocation and expansion of Crooksbarrow school, particularly given the impending Scrutiny review.
31. An option considered for relocating the training facilities within the Education Centre was the use of one of the City Learning Centres. However, in the medium term, this is not now feasible.
- The Centre based at Billingham has now however been used as a Pupil Referral Unit (following relocation from the Bishopton Centre due to flooding)
  - The centre based on the site of Grangefield School is currently being used by the school and the facilities are important to the school in their plans to improve standards. In addition, additional vehicle activity and parking would be extremely difficult due to the building works currently being undertaken.
32. There is some space available for staff in the space vacated by Tees Valley Music Service at Our Lady and St Bedes School. Stockton 6<sup>th</sup> form college have also approached the Council as they have a substantial amount of vacant space which could be converted into facilities for training and accommodating the associated staff. The college are keen for the Council to use this space and they see real benefits in the co-location of services and as such a competitive rate has been negotiated. There will be opportunities to integrate reception services, and the council would have opportunities to use the cafeteria area as well as access to other facilities on the site. It is therefore recommended that the school based training facilities are re-located to the college and when not used for Education Training this will be available to other services in the Council. This will require some investment from the Council and this will be funded from the Capital receipt generated. There may be a small number of larger events which cannot be accommodated in the college, however there will be the opportunity to use Preston Hall, the Jim Cooke Suite or look to book external venues.

### **Vocational Provision**

33. The report to Cabinet in November 2013 confirmed that the Pupil Referral Unit in Bishopton was no longer fit for purpose due to flooding and the provision was relocated to the ex City Learning Centre premises on the Campus site in Billingham. It also highlighted that whilst there is approval to dispose of the site, there is however an excellent, and well used, sports facility and vocational training block and options are currently being explored to retain and use these facilities possibly through a partnership with the Schools, Colleges, The PRU and Northfield School to create a hub for vocational provision.
34. The aspiration is to develop a site with shared governance and usage to meet the needs of young people who are under-engaged, demotivated and/or unlikely to flourish in a traditional academic environment ie school until 16 and then College. The site has a contiguous border with Bede Sixth Form Centre and there are clear opportunities to maximise this.
- a Technology Block, which has been adapted over the summer to accommodate Key Stage 3 (11 -14) young people from the Pupil Referral Unit. This building was a recent addition to the predecessor school estate and is in excellent condition.
  - a building that was previously a City Learning Centre. This is being remodelled as a wellbeing centre and the home of Key Stage 2 Pupils at the Pupil Referral Unit (this

are will be separated from the site for health and safety and safeguarding reasons should the longer term aspiration for the site be realised). Another modern building in excellent condition.

- a large block (again in excellent condition) of a recreational/catering facility, 4 Sports Halls and, currently, a swimming pool. It is this area that has real potential to redevelop, at least in part, as a vocational facility.
  - funding has already been secured for a 16-19 Maths and English block (£1.6 million from DfE). This should be completed for 2015. It will provide a hub to ensure that all young people in Stockton achieve English and Maths by age 19. Egglecliffe School provided the lead for this initiative.
  - A subsequent bid for Local Growth Fund was submitted by Stockton Riverside College to TVU –‘Building Skills Capacity for the Future’. It is described as a collaborative project that will be delivered by Stockton Riverside College and Stockton Borough Council, working in partnership to develop the skills required to support sustainable growth and prosperity and is consistent with the comments above. It is clear in the application that this is subject to formal approval by the local authority but it would develop elements of the former sports facility for vocational training facilities. This Bid was successful and the funding is earmarked as part of the Tees Valley Investment Plans.
  - There would still be elements of the sports facility available.
35. The vision for the site is to develop a multi-use vocational campus - so the various facilities listed above would be integrated, shared and jointly used. The initial target group would be 14 -25 year olds although there is every expectation that adults could also access.
36. A key aspect of the development will be the Governance arrangements and the responsibility for day to day management of the facilities and this is being developed. A project board has been established with representatives from the Council, the College and the Pupil Referral Unit to develop the proposals further.
37. The current sports facilities include a swimming pool. Despite Northfield school co-locating onto one site, they have continued to manage the sports facility and swimming pool on a temporary basis until July 2014. The pool is not classed as a public pool although there have been a number of hire arrangements and swimming lessons delivered from the facility. It has been identified that the swimming pool is now unsafe and has had to be closed, with the cost of repair is estimated at £500,000.
38. Given the limited public use and the other pool provision available in the area, most notably at the recently refurbished Billingham forum, it is not considered appropriate to invest in bringing the facility back to use. There has been some interest expressed in acquiring the facility and whilst this is not possible given the integration with the facility, there is the option of leasing this facility providing they were to take on the repairs liability. It is therefore recommended that this avenue be explored and if unsuccessful the pool be mothballed at a minimal cost. The operation and management of the remainder of the sports facilities will be influenced by the Growth Fund project and will be considered as part of the Governance discussions covering the whole site.

39. Tees Active runs a wide range of activities and lessons with the refurbished forum and with this being nearby and we will work with TAL to promote these services to ensure that there is continued access available to high quality pool provision.

### **Site Disposals and Developments**

40. Members will recall that the previous reports outlined proposals for Blakeston School site, Campus School, Norton School land at Yarm Road and Darlington Back Lane.
41. Work is progressing on the site disposals and as part of the development of the former Blakeston School, an area has been identified to provide much needed cemetery land and also to enable the development of a crematorium. There has been a significant amount of consultation in the local area and this proposal has been received positively and officers are now exploring options on how to develop the facility.
42. Members previously agreed that the Norton site would be developed with changing facilities to support the Council's Playing Pitch Strategy which was approved on 16 May 2013. This is currently being developed and a planning application will be submitted in the near future to obtain permission to re-provide 4 quality playing pitches alongside the changing facilities on this site. It will also cover outline residential development on this site, Yarm Road and Darlington Back Lane. The timescale is that the playing pitches will be operational from August 2015. In order to support the open space requirements linked to a number of disposals, the Council is in the process of acquiring some land at Hartburn.

### **SUMMARY OF SAVINGS**

43. The original target saving from the Asset review was to deliver savings of £1m by 2013/14. Overall the savings will exceed the target and the latest estimate is £1.4m by 2015/16. There will however be a shortfall in 2014/15 due to the delays associated with the Education Centre and Ragworth Neighbourhood Centre and this will be factored into the MTFP. The review has also generated capital receipts of over £1m to date and this will increase with further disposals.
44. The review has covered a wide range of Council owned buildings; including Office Accommodation, Children's Centres (linking into the EIG review), Libraries and Youth and Community Buildings.
45. The savings can be summarised as follows:
  - **Rationalisation of Office Accommodation** - resulting in the closure of 4 buildings. This has generated a revenue saving of £230,000 per year and also generated capital receipts of £1m. The sale of Gloucester House also resulted in the relocation of Visualsoft (a successful and growing local company) into the Town Centre.
  - **Operation of Childrens' Centres** - Linking into the EIG Review which reported to Cabinet in November 2011, £140,000 was saved on building running costs per annum on associated Centres covered in the review.
  - **Libraries** – The review of the library service included the co-location of facilities and changes to opening hours at a number of libraries and this has saved £400,000. Investment continues in our libraries and following the redevelopments of Thornaby

and Stockton Town Centre libraries, the new facility for Billingham will open in the Town Centre January 2015.

- **Youth & Community Centres** – four community centres have now been transferred to a new charitable organisation, OnSite Building Trust. This ensures that the buildings remain open for community use, while generating a saving of £195,000pa for the Council.
- **Other Buildings** – there were a number of buildings which are no longer occupied and buildings vacated (e.g. Youth Café, Skinner Street). This has saved £160,000 and generated capital receipts of £115,000.

46. Members will see that the majority of savings have been delivered through rationalisation of facilities, co-location of services and alternative means of delivery rather than any reduction in front line services to the public. The updated savings profile will be incorporated into the next update of the Medium Term Financial Plan.

### **FINANCIAL IMPLICATIONS**

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

### **LEGAL IMPLICATIONS**

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

### **RISK ASSESSMENT**

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

### **SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS**

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

### **EQUALITIES IMPACT ASSESSMENT**

51. This report has not been subject to an Equality Impact Assessment.

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

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

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