

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

12 NOVEMBER 2015

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Leader of the Council – Lead Cabinet Member – Councillor Cook

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 recommendations in respect of the Review of Libraries, provides an update on progress around Asset Transfer arrangements and provides recommendations around Site Disposal Strategy

2. Recommendations

1. Members agree to advertise the former sports facility at Marsh house Avenue for asset transfer.
2. Members agree to expand the schools outlined in paragraph 31.
3. Members agree the disposals of the following assets, with the terms agreed at **Appendix A:**

- Roseberry Library
- Bedale Library
- Former Education Centre
- Tedder Avenue
- Former Blakeston School site
- Five Lamps Centre
- Former Community Centre Long Newton

Members also agree that the agreement of the detailed terms of disposal be delegated to Director of Resources in conjunction with the Leader of the Council.

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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CABINET DECISION

ASSET REVIEW, SCHOOL CAPITAL AND SITE DISPOSAL UPDATE

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 recommendations in respect of the Review of Libraries, provides an update on progress around Asset Transfer arrangements and provides an update recommendations around Site Disposal Strategy.

RECOMMENDATIONS

1. Members agree to advertise the former sports facility at Marsh house Avenue for asset transfer.
2. Members agree to expand the schools outlined in paragraph 31.
3. Members agree the disposals of the following assets, with the terms agreed at **Appendix A:**
 - Roseberry Library
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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 February 2015.
2. The report provides an update on Community Asset Transfer and an update on progress of both the Community Building Trust and individual asset transfer requests are included as well as an update on sites included within the Disposal Strategy including an update on Education Centre, Playing Pitch Strategy and former Blakeston Site.

CO-LOCATION OF LIBRARIES

3. Former library site at Roseworth has now been successfully disposed of for retail.
4. Westbury Street library services are now integrated into Riverbank Children's Centre with continued on-going discussions to dispose of the building to a GP Practice. However, despite agreeing Heads of Terms in January 2014, negotiations have been difficult and protracted and are still not finalised. It is now recommended that the buyer be given a deadline to complete by the end of the December, after which the Council will look to dispose of the building on the open market.
5. Completion of the £2.7m integrated library and contact centre in Billingham Town Centre released both Roseberry library and Bedale library for disposal. Roseberry library was marketed for joint disposal with NHS properties services and an offer has been accepted which is now progressing through the legal process.
6. Bedale library was advertised for disposal or Asset Transfer as per previous Cabinet recommendations. Disposal of the freehold to a Developer has been agreed subject to the building then being leased to provide much needed nursery provision required in the area. The facility, which is expected to be open early next year, will also provide provision for children with special needs and will be currently the only facility of this type within the Borough. The mobile library service has been successfully relocated to the Thorndale Centre with bibliographical services to creating a library storage hub.
7. Investment of over £300,000 in Yarm Library will address a number of significant condition issues as well as addressing access and appearance from the High Street. The works are scheduled for new year with the building expected to re-open to the public in spring.

COMMUNITY ASSETS and SITE DISPOSAL STRATEGY

Community Asset Transfers

8. The Council continues to support the principle of Asset Transfer and via the adopted Let's Share Strategy is dealing with a number of requests which are currently at various stages of the process.
9. Most notably Onsite, the Community Building Trust set up in 2014 has taken over the long term leases on 4 Community Centres and is successfully developing these in line with their business plan to improve the footfall and community usage of each Centre. Onsite are a community interest company with charitable objects and a vision to improve the long term sustainability and vibrancy of its centres in partnership with the Council. The overall position has seen some 5000 users a month benefiting from the centres, with a 20% increase in groups usage since the transfer of the centres. The business model works on the principle of empowering access to the centres by groups and users whilst managing risks. Additionally Onsite has a desire to focus on supporting social enterprise by local residents and examples of this includes the opening of a new cafés at the Robert Atkinson and Elmwood centres, new nursery facilities with Elmwood Centre etc which have the additional advantage providing creating a virtuous circular increasing footfall in the centres and supporting other groups.
10. To ensure Onsite is viable and complements the objectives of the Council, it is necessary to scale up its business model significantly. As previously approved by Cabinet in June 2014 we are currently progressing with Onsite the proposed transfer of Ragworth Neighbourhood Centre and Norton Grange subject to a successful business case. It is anticipated this transfer will take place as planned for 1 April 2016.

11. In November 2013, following submission of a successful business case, Cabinet approved the Asset Transfer of Primrose Hill Community Centre to Three Score Years and 10 to provide a day care service and support to older, vulnerable people in Stockton. Unfortunately we have recently been informed that the organisation has ceased and therefore the asset transfer will not now take place and under the current terms the building remains with the Council. The Council is now exploring opportunities for the building around future asset transfer or lease.
12. New Life Church submitted a business case for asset transfer of New Life Family Centre at Billingham which was approved by Cabinet in February this year. Having been leaseholders of the building since 1999 the Centre provides a range of children's activities including childcare, parent toddlers groups as well as adult education and community physiotherapy. The building is also home to Sure Start Centre currently run by 4Children on behalf of the Council. The building is also now used for church activities following transfer from the church building on Low Grange Avenue. Asset transfer is progressing with lease arrangements are now being finalised by both legal parties.
13. As previously reported to Cabinet an asset transfer request and Business Case has also been received from Five Lamps Centre for the transfer of the freehold of the building at Eldon Street which housing their main headquarters. However the Council's preference was for a long term lease (99 years) as this allows us to safeguard the future of the asset and Cabinet subsequently approved asset transfer on this basis. Five Lamps are of the strong view they would prefer freehold transfer of the asset as they feel this would generate significant investment opportunities described above and have since submitted a formal request to purchase the property. Having reviewed this in line with current market value under Local Government Act 1972 Section 123 we feel this is an acceptable offer and subject to agreeing a suitable overage provision would recommend to Cabinet that we dispose of the building to Five Lamps.

Community Buildings

Long Newton Community Centre

14. Following the agreed closure of the Community Centre at the end of July the property has now being marketed for sale or let. The council is in the process of reviewing offers received.

Former Campus School Sport Block – Marsh House Avenue

15. Significant investment has taken place on the former Campus School site to develop a hub with shared governance and usage to meet the needs of young people who are under-engaged, demotivated and/or likely to flourish in a traditional academic environment. To date this has included:
 - A new £1.6m specialist Skills Academy which opened in spring which is being managed and ran by Stockton Riverside College (Bede College).
 - Adaptations to the former Technology block and the City Learning Centre to provide accommodation for Key Stage 1 -3 Pupil Referral Unit both modern buildings in excellent condition.

The above developments conclude the Council's aspirations to develop a hub around enhanced vocational provision on the site.

- 16 In addition to the above buildings, there is also a sports block which currently is being managed on the Council's behalf by Northfield School. This provides sports and recreational facilities and is regularly used by the community. The current sport facilities do not include the swimming pool which, due to extensive condition issues, had to be closed to the public in

summer of 2014. The remaining area of the site has had Cabinet approval for development and disposal.

17. Recently there have been a number of enquiries from the public and user groups around the future of the former Sports Block including two expressions of interest under our community asset transfer policy Let's Share. One approach includes a request to include a proportion of the land identified for disposal to be made into junior football pitches and for the building to provide a hub a local junior team. This will also include working with other users to retain a valuable community facility. In line with the Strategy it is now proposed the building is advertised for asset transfer in order to progress this proposal.

SITE DISPOSAL UPDATE

Former Education Centre site, Junction road, Norton

18. The former Education Centre on Junction Road closed in spring following transfer of training facilities to Stockton Sixth Form College. Demolition of the building is currently underway and is expected to be complete by Christmas.
19. The site has been marketed but prior to this it was provisionally agreed that a part of the site, amounting to 0.2 acres, be sold separately to a local church for the provision of a church/community facility. The exact location within the site was not defined so as to allow the church and developer of the main site to agree a mutually acceptable location. Following an initial round of offers the bids for the main site indicated at **Appendix A** were received on 9 October. All offers meet the requirements set out in the Council's sales particulars, including making provision for the church/community facility and all have an equal chance of obtaining planning approval. It is therefore recommended that members approve a sale to the highest bidder in line with local Government Act 1972 Section 123.

Land at Tedder Avenue, Thornaby

20. Following an approach from a developer terms have been provisionally agreed to sell the site amounting to 2.21 acres, for the development of a food store and associated parking.
21. Concern was originally expressed as to the suitability of the site for use as a food store. It was therefore agreed that the prospective purchaser should seek planning approval for such use prior to any sale being progressed. Extensive consultation was undertaken in connection with the planning application which indicated significant public support for the proposal. Planning approval was subsequently obtained on 02/07/15 (ref 15/0515/FUL). Whilst the site has not been formally marketed the Land and Property Manager advises that the terms provisionally agreed, and outlined in appendix A, represent good value for the Council and that best value as prescribed by the Local Government Act 1972 has been achieved.

Former School site Blakeston Lane

22. As previously agreed by Cabinet an element of the site has been identified for the development of a Crematorium and work is progressing on this looking at options for delivery including a full business appraisal.
23. An element of the site has been marketed and following a review of the original offers (shown at **Appendix A**) discussions have taken place with the highest bidder and terms are now sufficiently advanced to seek Cabinet approval for the sale. It is therefore recommended that members approve a sale to the highest bidder in line with local Government Act 1972 Section 123.

Playing Pitch Strategy

24. Cabinet in May 2013 approved a Playing Pitch Strategy that would see the creation of a hub of football pitches with changing facilities created on part of the former Norton School Site. In turn a proportion of the site would be released for development together with the release of sites at Darlington Back Land and Yarm Road with the capital receipts being used to fund the investment in the facilities.
25. Since the agreement to invest in the provision of a new multi-pitch site at Norton School, the FA has updated its position on the use of artificial grass pitches (AGP's) for competitive football. AGP's can now be used for competitive football and the FA is encouraging greater use of AGP's for competitive mini/ youth football.
26. In line with this approach, the Council via sports consultants, have reviewed and updated our previous Playing Pitch Strategy to include the impact of this decision on how we promote the use of artificial pitches across the Borough in the future. A more detailed report is presented elsewhere on this agenda proposing a revised Strategy which provides a clear, strategic framework which will:
 - Protect sports facilities where there is a need to do so through local planning policy.
 - Secure tenure and access to sites for high quality, development minded clubs, through a range of solutions and partnership agreements.
 - Maximise community use of outdoor sports facilities where there is a need to do so.
 - Consider disposal of sites identified as surplus ensuring that part of the capital receipt from land sales is secured for improving existing sites.
27. In order to support the Strategy the Council have been working with Stockton Town Football Club and Stockton Sixth Form to develop and new 3G artificial grass pitch which will support community use and minimise the requirement for adult grass pitches in the area.
28. Also the development of new school buildings/ facilities at Ian Ramsey and St Michaels which includes a community use guarantee has led to an increase in the number of available grass playing pitches. As such the proposed development of the Norton School site is now not required and the site is not now required. We will now review options for the site. Resources previously allocated for this will be returned to overall capital resources.

SCHOOLS INVESTMENT UPDATE

Primary School Basic Need Capital Investment

29. Previous reports have outlined an emerging picture of pressure on Primary School Places across a number of areas of the Borough. Subsequently investment was agreed (June 2012) in respect of 5 schools and this work was successfully completed in 2014.
30. Pupil numbers across the Authority have now been reviewed further to reflect the current position following the Admission round in April 2015 and this has identified specific pressures across three planning areas, namely North Stockton, Central Stockton and Thornaby. Further detail on how the pressure has been identified is addressed elsewhere on this Agenda as part of the School Organisational Plan update 35. Options for the expansion of schools in the areas affected have been considered and a number of desk top feasibility studies have been undertaken at key school sites to identify potential expansion options (utilising where practicable Building Bulletin 103 guidelines).
31. The studies were assessed primarily in terms of identifying the most suitable schools to expand and to provide sufficient additional capacity in the correct locations. However deliverability and value for money were also major considerations.

7 key schools were identified for possible expansion, they are:

1. Bowesfield Primary, Stockton – proposed increase from 1fe to 2fe school
2. St Patricks RC Primary, Stockton – proposed increase from 1fe to 1.5fe school
3. St John the Baptist CE Primary, Stockton – proposed increase from 1fe to 1.5fe school
4. St Marks CE Primary, Stockton – proposed increase from 1.5fe to 2fe school
5. Hardwick Green Academy, Stockton – proposed increase from 1fe to 2fe school
6. Thornaby CE Primary, Thornaby – proposed increase from 1.5fe to 2fe school
7. Christ the King RC Primary, Thornaby – proposed increase from 1.5fe to 2fe primary

Meetings have been held with the respective schools, Governing Bodies, Diocese and Academy Trusts where appropriate. Agreement in principle has been reached with all 7 schools

32. Further work will be required to determine the detail, deliverability and phasing of these works. This will include liaison with Sport England who are the statutory consultee on all planning applications for development affecting playing field land.
33. It is anticipated that the proposed phased delivery will allow for some additional capacity in September 2016, with further works in 2017 to complete proposals. The total proposed investment will create a total number of 945 additional school places across the three planning areas.
34. The medium Term Financial Plan currently has capital resources of £9.6m which will be used to fund the investment plans. Further updates will be provided to Cabinet once the programme of works is finalised.

OFFICE ACCOMMODATION

35. Significant progress continues to be made in reviewing the office accommodation portfolio and office space is kept under regular review linking into the outcomes of various services reviews taking place across the Authority.
36. As previously reported Children's Services have relocated from office accommodation on Hartington Road, following a number of issues concerning safeguarding of clients and reduced parking facilities. This would leave the property on Hartington Road available for disposal on the open market and it was originally proposed that the building be sold and the proceeds earmarked to fund the investment required in the new accommodation.
37. However the Council is working with a number of partners to improve the area including looking at issues of crime and anti-social behaviour. Approaches have therefore been made to 2 housing partners with the view that the property is leased at a peppercorn rent and is used as a base for providing a variety of support services which compliments the initiatives being implemented in the surrounding area.

FINANCIAL IMPLICATIONS

38. None directly related to this report. Issues mentioned in the report contribute to the overall target saving of £1.4m which exceeds the original target of £1m.

LEGAL IMPLICATIONS

39. Legal support will be required for the implementation of the Community Building Trust and for asset transfer process.

RISK ASSESSMENT

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

SUSTAINABLE COMMUNITY STRATEGY IMPLICATIONS

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

EQUALITIES IMPACT ASSESSMENT

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

CONSULTATION INCLUDING WARD/COUNCILLORS

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

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Education related?: No

Background Papers: N/A

Ward(s) and Ward Councillors: N/A

Property: (<http://sbcintranet/library/64521/RES/Capital.doc?view=Display>)