

CABINET ITEM COVERING SHEET PROFORMA

AGENDA ITEM

REPORT TO CABINET

15 JUNE 2017

**REPORT OF DIRECTOR OF
FINANCE & BUSINESS
SERVICES**

CABINET DECISION

Leader of the Council – Councillor Cook

ASSET REVIEW 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 and provides an update around Asset Transfer arrangements and also in implementing recommendations and provides recommendations around Site Disposal Strategy

2. Recommendations

1. Cabinet note that the asset transfer strategy Let's Share has been reviewed and there are no changes proposed.
2. Members approve the asset transfer of former Campus Sport Block to Onsite Building Trust with effect from 1 September 2017. The review of the business case and the completion of terms and conditions of the lease to Onsite to be delegated to Directors of Finance and Business Services and HR, Legal and Communications in consultation with Leader of the Council.
3. Members note the position and update regarding Clarences Resource Centre and Former Clarences Farm.
4. Members approve demolition of Corporation Hall, 40 West Row, Stockton.
5. Cabinet agree to delegate approval for the transfer of land from Persimmon to Stockton Borough Council and grant a subsequent lease to Ingleby Barwick Town Council, for the provision of a community centre, to the Director of Economic Growth & Development Services in consultation with the Director of Finance and Business Services and the Cabinet Member for Regeneration and Housing.

3. Reasons for the Recommendations

To provide Cabinet with an update on the Asset Review.

4. Members' Interests (the text below is fixed and should not be altered by the author).

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 the Council's assets with the latest being presented to Cabinet in November 2015.

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 of both the Trust and other individual asset transfer requests are included as well.

COMMUNITY ASSETS

Let's Share Strategy

3. The Council has an agreed approach to Community Asset Transfer which is encapsulated in the agreed strategy document "Let's Share" 2011 - 2016. The Strategy was formulated and approved by Cabinet in September 2011 following substantial consultation with the voluntary and community sector. It has been widely publicised and has generated a number of expressions of interest both from a wide variety of voluntary and community organisations as well enquiries involving a number of buildings.

The strategy has been reviewed and we have consulted with Catalyst and there are no substantive changes to the document proposed.

Community Asset Transfers

4. Whilst there has been a steady number of requests over the years, moving these into full transfer has proved slow as we try to ensure organisations are fully equipped and aware of their responsibilities inherent in the process. Cabinet has approved full transfer of a number of buildings and updates on each and any specific recommendations are given below.

Ragworth Neighbourhood Centre and Norton Grange

5. Following the successful transfer of 4 community centres to Onsite Community Building Trust Cabinet approved the further transfer of Norton Grange and Ragworth Neighbourhood Centre in June 2014 to scale up its business model significantly and become more viable in the long term. The transfer was completed on the 1 July 2016 and the facilities are now being managed and developed by Onsite. Initial indications are that this is proving to be successful.

Former Campus School Sports Block – Marsh House Avenue

6. Members will recall that significant investment has taken place on the former Campus school site to develop a hub to meet the needs of young people who are under-engaged, demotivated and/or unlikely to flourish in a traditional academic environment. This has included a new £1.6m Skills Academy as well as significant investment in the former Technology Block and former City Learning Centre to provide modern accommodation for key stage 1 - 4 Pupil Referral Unit. A proportion of the site has also had approval for development and disposal.

The remaining building – the former sports block has been managed by Northfield School on the Council's behalf and is currently used by Pupil Referral Unit for delivering the PE curriculum and School Sports Partnership in term time as well as by a number of community groups in the evening and weekends. In November 2015 Cabinet approved that the building be advertised for asset transfer following a number of enquiries by the public and the users groups keen to retain the building for community purposes.

The building was advertised in January 2016 and following a detailed appraisal in line with the Let's share strategy a partnership of some of the current user groups came forward with a plan which proposed Onsite Building Trust take a Head Lease with a number of sub leases and licences in place to guarantee the current community groups using the building can continue to do so. Catalyst have worked with Onsite and have now presented to the Council a viable business plan which includes the exciting inclusion of a Trampolining & Gymnastics club - Velocity as a main anchor sub tenant. The business case has been evaluated in line with the Strategy and has had very positive support from Stockton North MP, Leader of the Council, local Ward Members and well as the wider community. Whilst the financial plans are robust and there is significant opportunity for investment and development of the Centre, financial support of £100,000 over 3 years has been requested by Onsite whilst plans are being developed. This will come from existing budgets. There is a separate business case developed for Velocity. This will see the decommissioned swimming pool area used for trampolining together the adjoining large sports hall dedicated to gymnastic and trampolining activities. Plans include a capital investment of circa £130,000 by Velocity and funding for some of this is being sought from Sport England with the backing of the British Gymnastic Association, with the ambition for the Club to become a top class regional training facility.

As the building is nearly 60 years old condition surveys undertaken by both the Council and on behalf of Onsite have confirmed that the building is generally in good condition. However in recognition of its age the Council is proposing to set aside £75,000 over 3 years from existing maintenance budgets to assist with any essential works and as a match for any potential funding available to Onsite for investment in the fabric of the building.

Members will also be aware the Council has supported Billingham International Folklore Festival in providing temporary accommodation for the participants during August. In recent years they have utilised the Sport's Block. Clearly under asset transfer, any agreement around future use of the site would be limited, and would be at the discretion of Onsite Building Trust.

Community Buildings

Clarences Resource Centre

7. Since 2015, following the liquidation of Know How North East, the Council has been managing Clarences Resource Centre whilst reviewing opportunities with Catalyst regarding its future. We have now received a business plan from the Billingham Environmental Link Project (BELP) which will see them taking over the head lease for a minimum 3 years. BELP have been a positive influence in the area over recent years with a successful track record of engaging with residents and communities having established the award winning Horticulture Centre and community Garden at the Clarences. This arrangement would keep all current tenants in place and retain the operation of the building and build on its future use.

Former Clarences Community Farm

8. In June 2010 Cabinet approved the transfer of the land at Clarences Community Farm to Newtown Community Resource Centre Ltd with the Council retaining the right to buy back the land at a £1 in the event of the organisation wishing to dispose in the future. Newtown Community Resource Centre Ltd as a legal entity ceased to exist when the organisation transferred over to Know How North East (KHNE) however land title deeds were never updated meaning the land & building officially belonging to The Crown.

When this came to light legal steps were taken to get Newtown Community Resource Centre Ltd re-registered with the sole purpose to transfer the land from this organisation to KHNE. However KHNE went into liquidation before the transaction could be completed so the ownership of the land still lies with Newtown Community Resource Centre Ltd.

Since then the Council and Catalyst have been reviewing options for a community organisation or partnership to take over the land and bring it back into community use. In the meantime the building has fallen into dis-repair and regularly suffers from anti-social behaviour and fly tipping. We have now had a positive approach from BERP who are willing to take over ownership of the land initially and then work in partnership with Groundwork NE to form a Community Interest Company. This new organisation will then seek funding to invest in the site. The transfer will be subject to the same right to buy back for £1 option should there be any future disposal request. The transfer will be subject to demolition of building and fencing works which is estimated at cost of £40,000 and which can be found from existing budgets and will prevent future costs being incurred on site clearance and surveillance.

Corporation Hall, 40 West Row

9. Corporation Hall, 40 West Row, Stockton is in poor condition and has not been used for some time. It is also located close to a significant potential development site in the town centre and it is therefore proposed to demolish the building and create a temporary car park. This is estimated to cost £200,000 and will be funded from Resources earmarked to support town centre development.

Ingleby Barwick Community Centre

10. In December 2014, Cabinet authorised completion of a title transfer of land at village 6 Ingleby Barwick, from Persimmon to Ingleby Barwick Town Council, in order to build a community centre and youth café, subject to the Town Council securing planning permission and sufficient finance to build and maintain the community centre. Members approved capital monies of up to £50,000 be made available towards the provision of a Youth Café within the proposed community centre.

The Town Council has now secured Planning Approval for the community centre is proposing to submit a funding application to DCLG in summer 2017. Subject to this funding approval the Council would enter in to a back to back lease arrangement between Persimmon, Stockton Borough Council and The Town Council, the finalisation of details of which would be delegated to the Director of Finance and Business Services in consultation with the Director of Economic Growth & Development Services and the Cabinet Member for Regeneration and Housing. The scheme would be the responsibility of the Town Council.

COMMUNITY IMPACT IMPLICATIONS

11. This report has not been subject to a Community Impact Assessment.

FINANCIAL IMPLICATIONS

12. 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

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

RISK ASSESSMENT

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

COUNCIL PLAN POLICY PRINCIPLES AND PRIORITIES

15. Developing strong and healthy communities.

CORPORATE PARENTING IMPLICATIONS

16. Not applicable.

CONSULTATION INCLUDING WARD/COUNCILLORS

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

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