

AGENDA ITEM

REPORT TO EXECUTIVE SCRUTINY COMMITTEE

23 October 2012

REPORT OF HEAD OF FINANCE AND ASSETS

ASSET REVIEW - UPDATE

SUMMARY

This report provides an update on the Asset Review and builds on earlier reports to Members in 2011 and in June 2012.

The report highlights ongoing progress in rationalising the office accommodation estate and presents an option for consideration following an exercise to review the Education Development Centre

Following agreement and approval of the libraries strategy, and the consultation on options for the Service, the report outlines proposals for delivery of the strategy.

An update is also provided on work that Catalyst are undertaking with respect to community asset transfer, including development of a Community Asset Trust, and also summarises developments with respect to aspects of Facilities Management.

RECOMMENDATIONS

1. Agree that a second phase of consultation be undertaken on the proposals in respect of the Libraries Service.
2. Approve the relocation of services from the Education Development Centre and the subsequent closure, which will be followed by an option appraisal to determine the future of the site.
3. Given the Council's investment in modern, accessible pool provision at SPLASH and Billingham Forum and confirmation that the School cannot fund the running costs of the Abbey Hill Pool, the facility will now close.
4. Note the progress with respect to Asset Transfer and the CAT Scheme being developed by Catalyst.
5. That following receipt of expressions of interest in the properties at 98 Dovecot Street and Primrose Hill Community Centres, these properties now be advertised for disposal or asset transfer in line with the agreed strategy.

DETAIL

Background

1. The last report to Executive Scrutiny Committee and Cabinet in June 2012, sought Members 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 Asset Trust. This report provides an update on progress to date.

Previous reports have identified actions that will deliver £529,000 of the planned £1,000,000 savings. This report outlines proposals for significant further savings.

Office Accommodation

4. Significant progress continues to be made in reviewing the office accommodation portfolio. In addition to the successful sale of Gloucester House, Wrensfield House has now been vacated and the intention has been that this be offered for community asset transfer and/or sale disposal imminently. Unfortunately this building suffered flood damage as a result of the recent storms and the implications and potential options are therefore being re-assessed.
5. Billingham Council Offices occupies the site of the planned Library/Access to Services developments in Billingham Town Centre and plans are in place for it to be vacated prior to those developments commencing. Plans are also being developed to facilitate the vacation of the Alma Street Offices.
6. Utilisation of office space will be kept under regular review.

Review of Facilities Management - Phase 2

7. Progress continues to be made regarding the consolidation of responsibility and funding for property related services. In particular:-
 - The small number of cleaning staff not previously employed under Direct Services, have now been transferred to the line management of that Service.
 - A transfer of line management for Caretaking Services (excluding those employed in schools) to Direct Services will take place shortly. There will then be a review of this service across the Council.
 - Consolidation of property related budgets will be in place with effect from 1 November 2012.

Libraries

8. In September 2011, Stockton Borough Council Cabinet approved a differentiated Library Service model in which some sites will have a larger range of products and services and be open longer hours, whilst others will be reduced. In the case of a reducing service offer we have committed to maintaining *'a staffed library service presence in those communities currently served.'* This could be achieved by retaining a stand-alone library, having a staffed library area within another community building, or having a visiting mobile library service which brings a staffed presence for some of the time.
9. Applying the principles of the differentiated service model, Cabinet in December 2011 agreed to explore rationalisation and co location of Fairfield, Roseworth, Thornaby Westbury Street, Eaglescliffe, and Billingham Bedale, and to give full consideration to the likely impact of any changes in each case. The December Cabinet paper acknowledged the key sites as Stockton Central, Thornaby Central, Billingham, Yarm, Ingleby Barwick, and Norton. The same report highlighted capital investment already made in Stockton

and Thornaby, and planned for Norton and Billingham. In Billingham the commitment was given to creating a new town centre library and customer service facility.

10. Throughout this Review we have considered our statutory responsibility to provide a comprehensive service. Although the Public Libraries and Museums Act does not specify how many libraries are required and where these should be located it, does imply that any changes to services must reflect, equally, the needs of the whole population for services to be accessible. In those Authorities where significant change has been proposed across the UK, the impact of changes on resident's needs has been at the centre of expensive official inquiries and judicial reviews.
11. The Wirral Judicial Review, in response to proposals to close stand alone libraries in favour of integrated multi purpose centres, found that there had been a failure to properly assess the likely impact in each case. Similar judgements have been made on reviews of services in other parts of the country including Somerset, Gloucestershire and Surrey.
12. With these cases and guidelines in mind, the process of reviewing options for the future in Stockton has focused on the users of the service, and its accessibility to those diverse communities. We intend to consult in 2 phases, first testing people's general preferences, and secondly testing responses to a specific set of proposals addressing each Library site in turn.
13. In the summer of 2012, the Council conducted a 6 week consultation on people's preferences for different aspects of the service, for what parts of the service are most valued, rather than which branches or service points people use or would like to retain. Over 1200 responses were received from a broad cross section of the community. The key messages are that a wide ranging and up to date book stock (73.7% rated this most important) is still the most important feature of the service, with well trained and friendly staff to provide good access to this (72.6% rated this as most important).
14. Other factors which received general support were a wide range of information materials, the ability to borrow and return books to any branch library (50.8%), and activities for children and young people. 49% rated Sunday opening as least important, and 59% said it was least important for libraries to be open on Bank Holidays.
15. General comments on the service show an understanding by respondents to the survey that change is necessary and there is support for the co-location of libraries with other appropriate services.
16. There are 40,000 active borrowers whose use of the service we can track, but in addition there are many thousand users who do not borrow items and whose usage patterns we are seeking to understand through focus groups and survey comments. Levels of usage are an indication of demand and likely future usage, and distance to the nearest library is a significant factor.
17. Combining all the relevant data and intelligence, officers have explored a wide range of scenarios, including closures, integration, reduced opening hours, and partnerships with community organisations. Options have included elements that are not immediately achievable but which might be pursued in the medium term.
18. The table attached as **Appendix 1** shows usage levels and costs for each branch, plus distance to the nearest 'town centre' branch.
19. Consideration was given to the closure of Fairfield, Roseworth, Eaglescliffe, and Thornaby Westbury Street, to be replaced with mobile library visits. However, although

this would realise a saving of c. £450,000, it would prevent over 300,000 visits per annum currently going to those branches. The mobile visits would carry a fraction of the collection that can be housed by the static branches, and would not allow for the range of community activities in those sites. Mobile services would not provide free internet access, and the role of libraries in reducing the inequality of access to online goods and services was felt to be of significant social value.

20. Reducing opening hours generates a saving, providing the reductions are sufficient to allow for the removal of posts and the redeployment of remaining staff in an efficient way. However, reducing hours will reduce the quality of service on a given site, and prevent some people using the service if the revised hours do not suit their availability.
21. Investment in self service (RFID) technology has enabled improved efficiency in Thornaby and Stockton Central libraries. Integration of branch libraries with other compatible services can release the RFID saving due to the presence of other staff. In addition, integration can allow reduced staffed hours but with longer public opening hours where supervision is provided or shared by another service host.
22. The following scenario is believed to combine the most desirable elements whilst removing the most detrimental. It is expected to release a saving in excess of £350,000. It balances competing issues, and whilst it does represent a reduction in the quality of service for some users, it is believed to be proportionate to the financial pressures driving Council service planning.

Consultation phase 2 proposal

23. It is recommended that Stockton Borough Council continue to invest in the fabric and equipment of the main 'town centre' branches, retaining extended opening hours where they are currently offered, staffed by expert professionals, and providing an up to date and relevant book stock. The major investment in the creation of a new Library and Customer Service facility in Thornaby, and the refurbishment of Stockton Central, should be mirrored in Billingham, delivering the widest possible range of services, stock, and equipment in the most efficient manner possible.

The Council are investing £2.7m in the new Billingham Town Centre facilities and it is proposed that this will replace Roseberry and Bedale Libraries. The Bedale Library building will be offered for asset transfer to community ownership or for sale. Mobile library visits to the 'Old Billingham' area should be increased to support those users who might be unable to attend the new Town Centre facility.

It is proposed that Westbury Street, Roseworth, Eaglescliffe and Fairfield Libraries be integrated into appropriate community facilities in their vicinity. Library staffing hours would be reduced for each site. This would retain an accessible staffed library service presence. Integration will require investment in equipment, shelving, furniture and stock which will improve the quality and feel of the service. Linkages to other services in the facilities could provide additional value and efficiency.

The suggested facility for co-location of Westbury Street Library is the Riverbank Children's Centre. The suggested facility for Roseworth Library is the Redhill Children's Centre. Appropriate facilities are still being considered for co-location of Eaglescliffe and Fairfield Libraries. However, in respect of Eaglescliffe Library, consideration is being given to the projected growth in the number of households in that area and to the potential to find a location closer to the areas of growth and to communities furthest from the closest alternative branch.

Where a suggested co-location option is not currently identified, the reduction in staff hours and opening hours should happen at the same time as the changes in other areas, rather than waiting until a long term co-location option is found.

24. It is recommended that, in addition to staff changes and reductions required to operate the reconfigured Library sites, it is possible to remove 2 posts which currently support all branches. The duties carried out by the posts in question can be integrated into the roles of other staff.

Each of the proposals will now be subject to Equality Impact Assessments.

25. The total anticipated revenue saving that could be achieved by the changes outlined above is around £360,000.

Community Asset Transfer

26. Following a successful bid to the Transforming Infrastructure Fund, Catalyst have utilised the funding to procure a package of support to take forward the development of a Community Asset Trust model. This package has included employing a consultant to provide a dedicated resource for the process. The use of such a trust would potentially provide the benefits of asset transfer, while retaining the use of community buildings by management committees. Catalyst and the Council are committed to work together to maximise the benefit from these developments. The key task is to equip communities to develop, run and deliver sustainable community assets.
27. The Council has also been successful in bidding to become one of 6 authorities participating in the DCLG's Multiple Asset Transfer Demonstration Programme, hosted by the Asset Transfer Unit. Although this Programme does not provide funding, it does allow opportunity to access specialist advice on such issues as TUPE and Legal Documentation and Procurement.
28. The Catalyst consultant, in partnership with representatives from SRCGA and the Tees Valley Rural Community Council, has been undertaking a series of awareness raising events and discussions with the community and voluntary sector.
29. Catalyst are extremely positive about the Council's approach to asset transfer and as a part of their support package for organisations Catalyst are developing the following:
 - A Business Planning template
 - A summarised version of the "Let's Share" Strategy Document
30. Previous reports have outlined the need to reduce subsidies to a number of Community Centres and some initial discussions have taken place directly with management committees. Further detailed work exploring options will include the option of asset transfer as well as exploring opportunities for reduced subsidies.
31. Positive interest has been indicated in two properties in particular, 98 Dovecot St and Primrose Hill Community Centre. Initial expressions of interest in asset transfer in respect of these two properties have now been received and we will progress to advertise these buildings in line with the strategy.

Education Development Centre, Norton

32. Previous reports to Cabinet have identified the need to consider the long term use and viability of the Education Development Centre. A summary of the findings of the review is set out below.
33. The Centre is used to provide conference and training facilities and 10 rooms are used for this purpose. The majority of these rooms are hired to CESC related services such as Workforce Development, the Education Improvement Service and the Local Safeguarding Board. Income is also generated from the Road Safety Team (DANS), in respect of speed awareness courses and from Health and Safety Courses (Resources). Significant reductions in external grant income and lower use of the facility by services means that actual income achieved from these, and external sources, will be less than budgeted, resulting in a budgetary pressure.
34. An analysis has been undertaken of the actual annual usage of the training and conference facilities using data recorded by the Centre. In summary this indicates that the space is utilised for less than 40% of the available time between the hours of 9am and 5pm and for less than 15% between the hours of 5pm and 9pm. The smaller rooms are generally better utilised than the larger Conference Room and Hall, but all except one room have occupancy below 50% during daytime hours.
35. The Centre also provides an office base for a significant number of staff, totalling around 80, the majority providing support to schools. They occupy approximately 40% of the usable room space.
36. The Centre is used by a number of external organisations, with the most significant usage being by The Norton Baptist Church, Slimming Classes and various NHS organisations. The outdoor space is used informally for football, although there are no changing facilities available. The Centre has also been used as a venue for the annual Crucial Crew event, although the University have also provided a venue for this event in some more recent years.
37. Catering is provided to users/occupants of the building, although this service currently operates at an annual loss.
38. There are also significant maintenance issues. In excess of £500,000 is required in the medium term to address these.

Alternative provision

39. If a closure option is to be considered, then identification of suitable alternative provision will be essential. In this respect an assessment has been made of the potential viability of utilising the former City Learning Centre at Billingham (Campus Site). Indications are that the building could be used as an alternative training venue adequate to meet the required need for CESC related training, providing three conference rooms, and also a base for 30 staff. The facility would also offer some spare training room capacity for use by other services. In order for this building to become a suitable alternative location, some internal re-configuration would be required and additional car parking spaces would be needed.
40. Analysis has also been undertaken of the meeting room capacity within the council's main administrative buildings. This analysis indicates a significant amount of overall surplus capacity.

41. There will remain a need for access to larger conference/training facilities on an occasional basis. Possible options include greater use of the Jim Cooke Conference Suite and the refurbished facilities at Preston Hall. However, some use of external facilities would be required for larger scale events and for this reason it is recommended that a budget for such external room hire be created (c£25,000pa) and co-ordinated centrally.
42. Closure of the EDC would require re-provision of accommodation for around 80 staff, 30 of whom could be accommodated in the Billingham CLC. Significant progress has been made in rationalising the Council's office accommodation estate, but vacant space remains that could be utilised to provide space for those displaced from the EDC. The SICTU (Schools ICT Support) Service has service specific accommodation requirements and therefore some investment may be required to facilitate their move from the EDC (School Broadband link etc).
43. Given the level of usage and the ability to relocate the significant majority of services it is therefore recommended that this facility be closed and the site considered for disposal. Annual revenue savings of between £200,000 and £250,000 per annum would be achieved. This figure allows for funding of the operating costs of the Billingham CLC and creation of a fund a fund to allow rent of external facilities where necessary.

Other Properties

Hardwick Pool and Gym – Abbey Hill School Site

44. The School have confirmed that the retention of the Gym is a high priority and this facility will be retained.
45. Members will be aware that the Council have made significant investments in modern and accessible pool provision across the Borough. Previously the Council funded the running costs of Abbey Hill Pool as it was used by the Youth Service and by the Primary School Swimming Programme. Both of these uses have now ceased and the majority of use is by the School itself.
46. The previous report to Executive Scrutiny and Cabinet identified that the School were to assess options for taking on responsibility for the pool building. Given that the running costs are approximately £65,000 per year with outstanding maintenance of around £130,000, and given the relative priority in comparison to the Gym, the School will not be in a position to take on the management of the facility and this will now close.

Next Steps/Planned Work

47. A further report, updating progress and presenting the results of the consultation on the Libraries Service, together with updates on Youth and Community facilities will be presented to Executive Scrutiny Committee and Cabinet in the new year.

FINANCIAL AND LEGAL IMPLICATIONS

48. The EIT Review has an MTFP savings target of £1,000,000 per annum from 2013/14 onwards. Savings achieved to date amount to £309,000 in 2012/13 and £529,000 from 2013/14, largely resulting from the rationalisation of the office accommodation portfolio and the impact of the EIG Review on Children's Centre buildings provision.

Proposals in this report will identify significant additional savings.

RISK ASSESSMENT

49. This is categorised as low to 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.

EQUALITY IMPACT ASSESSMENT

51. Equality Impact Assessments will be developed for the proposals regarding Library Services.

CONSULTATION INCLUDING WARD/COUNCILLORS

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

Garry Cummings
Head of Finance & Assets
Telephone: 527011
Email: garry.cummings@stockton.gov.uk

Education Related

Aspects of the Report relate to the Education Development Centre and the Pool located at Abbey Hill School.

Background Papers

Previous reports with regard to the EIT Asset Review in July and December 2011 and June 2012.

Ward (s) and Ward Councillors

All

Property

The EIT Asset Review reviews options for the Council's property portfolio.