

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

Community Services Review | Brambles Farm Community Centre- PART A

Deputy Mayor and Executive Member for Resources

Executive Director of Children, Families and Learning

7 July 2012

PURPOSE OF THE REPORT

1. To outline the salient points in the business case for the Community Asset Transfer of Brambles Farm Community Centre to Hope Foundation and seek approval for the transfer to proceed.

SUMMARY OF RECOMMENDATIONS

2. That Executive Sub-Committee for Property approves the transfer of Brambles Farm Community Centre to Hope Foundation.

IF THIS IS A KEY DECISION WHICH KEY DECISION TEST APPLIES?

It is over the financial threshold (£150,000)	<input type="checkbox"/>
It has a significant impact on 2 or more wards	<input type="checkbox"/>
Non Key	<input checked="" type="checkbox"/>

DECISION IMPLEMENTATION DEADLINE

For the purposes of the scrutiny call in procedure this report is:

Non-urgent	<input checked="" type="checkbox"/>
Urgent report	<input type="checkbox"/>

BACKGROUND AND EXTERNAL CONSULTATION

Background

3. To promote community-led regeneration and to support an increasingly robust Voluntary, Community and Social Enterprise Sector, the Council recognises the benefits of transferring surplus assets to community management.
4. To support increased community management of assets, Executive Sub-Committee for Property approved a Community Asset Transfer (CAT) policy on 3 February 2012. The standard terms of CAT are for a 25-year lease, under which the tenant is responsible for repairs, maintenance and running costs all sit with the tenant.
5. The Council listed six buildings as potentially available for CAT in February 2012, including Thorntree Park Pavilion and Pallister Park Centre, which were subsequently approved for transfer on 9 May 2012.
6. The list also included Brambles Farm Community Centre. Expressions of Interest in this centre were duly considered, and on 13 March CMT selected Hope Foundation as the most viable transfer partner.
7. In line with the Council's CAT Policy, Hope Foundation has since submitted a business case to the Council to demonstrate that its proposal for transfer is viable.

Business Case

8. Hope Foundation is a local charity, which has grown steadily in size since its creation in 1995. It has in place long-term funding contracts through Learndirect, National Careers Service and Cfbt Education Trust to deliver teaching, learning, information, advice and guidance from its base on Grange Road as well as on an outreach basis.
9. Thanks to its successful record in securing funding, Hope Foundation has extended its outreach work to cover Hemlington, Grove Hill, Thorntree, Netherfields and Linthorpe. However, delivery has been limited to the availability of timeslots in other organisation's buildings. This method is also more costly due to transport and the set up of new IT at each venue.
10. The key points of Hope Foundation's Business Case are as follows:
 - That Brambles Farm Community Centre becomes Hope Foundation's satellite centre within East Middlesbrough, from which existing and new contracts can be delivered.
 - That the existing computer suite at the Centre (under-used for some time) be included within this transfer and be brought back into regular use through contract delivery.
 - That a Work Club to assist local people in finding employment be established at the centre.
 - That space will continue to be made available to the local community (on a hire basis) when it is not otherwise in use.
11. In relation to room hire, the Hope Foundation has revised charges to reflect more closely actual costs. Its proposed policy would see the hall priced at £10 per hour. This is a change in policy as currently the space is hired on a half-day basis with costs based on the size of the group using the space. Hope's revised policy would mean a small increase for those using the centre for an hour (£2.50), but an increase of up to £17.50 for half-day use by small groups.

12. This is not considered deleterious to the Business Case, as the Council cannot require community groups to maintain the same level of subsidy for community space that the Council has historically been able to offer. Should the revised prices prove prohibitive for some current user groups, Hope Foundation will offer these groups assistance in applying for funding to cover costs. This will further encourage sustainability in the local VCSE sector.

Consultation

13. This proposal is supported by the Centre's current management committee (who did not express an interest in taking on the Centre). Ward Councillor Junier has been kept informed of proposals, has met with the Hope Foundation to discuss their proposals and is in full support of the transfer.
14. Following transfer, the management committee would be dissolved with any balances returning to the Council's Community Services Review Transition Fund. Balances would be spent on projects within the Brambles Farm and North Ormesby ward, including payment of the agreed subsidy to Hope Foundation (see *Financial Implications* section of this report).
15. In place of the management committee, Hope Foundation plans to establish a residents' forum to ensure that the local community remains involved in the use of the centre and can help shape its offer.

Recommendation

16. It is proposed that this CAT proceed, for the following reasons:

- It would secure a valuable community facility for Brambles Farm and North Ormesby for the medium to long-term.
- It would make better use of the centre than currently, and there is community support for the venture.
- There would be only a minimal cost the Council over three years, and the Council would achieve long-term savings on running costs and in avoidance of maintenance (or demolition).

Next steps and timescales

17. If approved, a 25-year lease for the transfer of Brambles Farm Community Centre to Hope Foundation, in line with the terms set out in this report, would be agreed and be in place by the end of August 2012.

IMPACT ASSESSMENT

18. The Community Asset Transfer process has been subject to a Stage 1 Impact Assessment. No negative differential impact on diverse groups and communities is anticipated from the implementation of the process.

OPTION APPRAISAL/RISK ASSESSMENT

19. The following options are available in respect of the future of Brambles Farm Community Centre:

Option 1: Close and demolish the centre – not recommended

20. At a cost of £37,717 this option does not represent good value for money and would mean the opportunity to establish a satellite Hope Foundation centre offering training, advice and guidance to people in East Middlesbrough would be lost.

Option 2: Close and re-let the centre – not recommended

21. It may not be possible to let the Centre quickly, or at all, and this would mean the building standing empty for a period of time. It could then become a target for anti-social behaviour.

Option 3: Transfer the centre to Hope Foundation – recommended

22. This option represents good value for money, has local community support and will offer training opportunities to local people in East Middlesbrough.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

Financial implications

23. Hope Foundation’s Business Case demonstrates that it can fund the great majority of running costs for this Centre over the next five years and beyond, with the main sources of income being existing contracts, expected future grant income and room hire.

24. Only a small amount of subsidy (tapered off over three years, as per the Council’s CAT Policy) from the Council would be required to secure the transfer, as set out below:

	Year 1	Year 2	Year 3	Total	% of Total
Hope Foundation	61,800	91,600	101,600	255,000	96%
MBC subsidy	5,982	3,448	327	9,757	4%
Total running costs	67,782	95,048	101,927	264,757	100%

25. The transfer of the Centre would save the Council £18,770 p.a. in running costs, and £47,189 in maintenance (reflecting the current backlog). Were the Centre to have closed, demolition costs were estimated at £37,717.

26. A subsidy of £9,757 over three years therefore represents a payback term against the running costs savings of only six months. The subsidy would be paid from the Council’s Community Services Review Transition Fund.

27. In addition to the actual subsidy, any CAT involves the Council passing up the opportunity to rent to a commercial operator, and it is important to be transparent about this. For this centre, the Council has calculated a notional market rate for rent of £7,200 p.a.

Legal implications

28. The Council would sign a 25-year lease with Hope Foundation for the transfer of Brambles Farm Community Centre, should the recommendation to proceed be approved.

29. In addition, a funding agreement will be put in place to cover the initial three-year subsidy outlined above, plus the notional rent for the term of the lease. This agreement will make provision for the Council to review terms on an annual basis, if required.

Ward Implications

30. This Centre within Brambles Farm and North Ormesby Ward. Its transfer would secure a valuable community facility within this ward for the medium to long-term.

RECOMMENDATIONS

31. That Executive Sub-Committee for Property approves the transfer of Brambles Farm Community Centre to Hope Foundation.

REASONS

32. To contribute to a robust VCSE sector and to maximise savings in relation to the Council's withdrawal of services from Brambles Farm Community Centre.

BACKGROUND PAPERS

- Hope Foundation | Business Case for Brambles Farm Community Centre (confidential)

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