

MIDDLESBROUGH COUNCIL

**EXECUTIVE SUB COMMITTEE FOR PROPERTY**  
**REPORT**

Community Services Review | Mill Hill playing fields

Deputy Mayor and Executive Member for Resources

Director of Neighbourhoods and Communities

14 November 2012

---

**PURPOSE OF THE REPORT**

1. To outline the salient points in the business case for the Community Asset Transfer of Mill Hill playing fields to Raw Foundation and seek approval for the transfer to proceed.

**SUMMARY OF RECOMMENDATIONS**

2. That Executive Sub-Committee for Property approves the transfer of Mill Hill playing fields to Raw Foundation.

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

It is over the financial threshold (£150,000)	<input checked="" type="checkbox"/>
It has a significant impact on 2 or more wards	<input checked="" type="checkbox"/>
Non Key	<input 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.
5. The Mayor's budget proposals for 2012/13 included the closure of Mill Hill pavilion. A condition survey was undertaken and found the pavilion to be in a poor state of repair so demolition was recommended. The pavilion was subsequently demolished and a temporary cabin was provided on site to ensure the current users could continue playing on the site.
6. In February 2012, six sites, including Mill Hill, were listed on the Council website as available for CAT, with a two-week window for Expressions of Interest.
7. The Expression of Interest (Eoi) period ended on 29<sup>th</sup> February and Eois were received from Raw Foundation in partnership with Cleveland Juniors Football Club and Boro Rangers Football Club. Both Eois sought transfer of the playing fields but only the Raw Foundation's bid included the construction of a new pavilion. Without a new pavilion, junior football would cease on the site in the long term.
8. The Eois were evaluated and Raw Foundation was therefore recommended as the most viable. On 13<sup>th</sup> March 2012 CMT selected the CATs to proceed to business case stage, and this included Raw Foundation for Mill Hill.
9. A business cases has since been developed by Raw Foundation to demonstrate that the proposal to take over the site is sustainable. The terms of the transfer is a 25-year lease, where responsibility for repairs, maintenance and running costs all sit with the tenant. The detail of the business case is below.

### **Business Case**

#### The partners

10. Raw Foundation is a registered charity set up to fund-raise and govern community social projects in the UK and abroad. Lion's Raw is a registered not-for-profit company, which delivers the project on Raw Foundation's behalf, by mobilising 1 million football fans to action in the next five years, with the vision to create chances for change in the lives of young people.
11. Raw Foundation is currently funding projects delivered by Lion's Raw in the UK, South Africa, Poland and Brazil. The projects include the construction of a school, orphanage and sports centre, in partnership with local charities, police, churches and governments.
12. One of Raw Foundation and Lion's Raw's two major private sector funding partners is RWE, a leading UK energy supplier. Mill Hill was selected as a project that RWE were interested in supporting through their corporate responsibility programme via a connection with an RWE employee.

13. Cleveland Juniors is a local football club established in 1985 by Frank Rush, and now run by his daughter Michelle. The club, which already uses Mill Hill as its base, has grown in recent times to 17 teams and 250 registered players. They provide community sport opportunities and a free coaching academy to young people in Middlesbrough.

#### The proposal – the site

14. The proposal is for Raw Foundation and Cleveland Juniors Football Club to take over the running of the Mill Hill site and to secure private and grant funding to construct a new pavilion.
15. Cleveland Juniors would manage the site on day-to-day basis and continue to use it as a base for their teams and academy. In addition, provision would continue for the other users of the site, ie. adult football through the Langbaugh Sunday League and cricket through the Middlesbrough mid-week cricket league. Prices will be fixed within 3% of the Council cost at any time and the income will be retained by Cleveland Juniors to assist with the sustainability of the site.
16. The football pitch layout will be determined by Cleveland Juniors but will provide a minimum of four adult football Sunday teams, which would meet the current demand.
17. For cricket, the current revenue from pitch hire will not cover the cost of maintenance. To retain the ethos of a community sports facility, Cleveland Juniors are prepared to subsidise cricket to a certain level. However, the business plan demonstrates their intention to grow the club and the requirement to maximise football on the site. This is in line with the aspirations of the main pavilion funder, Football Foundation, who are keen to ensure that the football club does not have the extra financial pressure of subsidising the cricket provision.
18. To minimise the cricket subsidy, the number of cricket squares at Mill Hill will reduce from two to one when it is transferred. The existing annual use has been considered and it will be possible, with some re-timetabling, to accommodate all matches on a single cricket square.
19. The Yorkshire Cricket Board and English Cricket Board have been informed of this change. Cleveland Juniors would liaise with all existing users to discuss the new timetable should the transfer been approved.
20. A management group made up of the partners and community users will be established to govern the site to ensure it continues to be a valuable community asset.
21. The site will remain open for local people to use for dog walking etc but, to ensure the health and safety of players, site management wish to work with local people to ensure that dog fouling does not occur on the playing areas.

#### The proposal – a new pavilion

22. Raw Foundation are proposing to construct a new changing pavilion on the site funded through private sector donation from RWE and TFM radio, and grant funding from Football Foundation and Sport England's Inspired Facilities fund. All the funders have confirmed in principle their commitment to the scheme pending the agreement of the lease for the site.
23. Plans for the pavilion are currently in development by an architect and all partners will be consulted on the scheme in November. The plans will then be finalised in time for the submission of the grant application to Football Foundation in early December.

24. Should the capital build not go ahead for any reason, it is still proposed to transfer the site to Raw Foundation and for Cleveland Juniors to manage the site.
25. English Cricket Board (ECB) has raised a concern about this approach on the basis that the site would not be fit for purpose. At present, the site is used for cricket and football, without a pavilion and there are no plans for the Council to build a pavilion. Sport would continue on the site in the same way it currently does. It is worth noting that ECB are not contributing any capital funding to the new build or any ongoing revenue funding to assist in the subsidising of cricket on the site in the long term.
26. ECB and Football Foundation have raised concerns that the Council transferring the site without a new pavilion would not be financially sustainable. However, contrarily, the business case demonstrates that, without the pavilion, the site would still be financial sustainability. In fact, there would be an additional cost in running the building.
27. The Council has no control over the capital funding package, so whilst a new pavilion is desirable, it is important to note that the transfer would still be successful if it should not come to fruition.

#### The proposal - summary

28. The key points of Raw Foundation's Business Case are as follows:

- that Raw Foundation will take over the site on standard Community Asset Transfer terms of a 25-year lease;
- the site will be managed on a day-to-day basis by Cleveland Juniors Football Club;
- responsibility for maintenance of the site will transfer to Raw Foundation;
- continued use of the site by the existing cricket and adult football users will be guaranteed;
- Raw Foundation are seeking external funding to construct a new pavilion at no cost to the Council;
- The transfer of the site would ahead and be financially sustainable even without the new pavilion.

#### **Next steps and timescales**

29. If approved, a 25-year lease for the transfer of Mill Hill playing fields to Raw Foundation, in line with the terms set out in this report, would be agreed and be in place by early December 2012.
30. Agreement of a lease for the site is the first milestone towards the construction of the new pavilion. Once the lease is in place, Raw Foundation will submit an application for funding to meet the Football Foundation's deadline of 7<sup>th</sup> December 2012. The other funding streams are already either confirmed or agreed in principle, pending confirmation of the lease.
31. It is anticipated that, assuming the funding bids are approved, the build will be complete by December 2013.

#### **IMPACT ASSESSMENT**

32. 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**

33. The following options are available in respect of the future of Mill Hill playing fields:

### **Option 1: Do nothing – not recommended**

34. The pavilion has been demolished due to its poor state of repair and the site is now serviced by a temporary cabin. This is not a long term solution and doing nothing would mean that, due to the lack of changing provision, junior football would be lost on the site. The transfer enables a new pavilion to be built, junior football to continue and other sports to continue.

35. Transfer of the site will save the Council £30k pa in annual maintenance costs and help to deliver the Government's Big Society agenda at a local level.

36. For the reasons in para 29 and 30 above, this option has been rejected.

### **Option 2: Transfer the site to Cleveland Juniors**

37. This option would offer a simpler arrangement than the proposal to lease to Raw Foundation who then subsequently sub-let to Cleveland Juniors who will manage the site. However, as they are not a charity, Cleveland Juniors are not eligible to apply for a significant proportion of the funding for the new pavilion. Raw Foundation is eligible to apply and so to ensure the grant funding can be sought, this option was rejected.

38. To mitigate any operational issues that this may arise from this arrangement, a Service Level Agreement will be put in place between the Council and Cleveland Juniors.

### **Option 3: Asset transfer the site to Raw Foundation – recommended**

39. This option enables the retention of the site for use by the local community, as well as the long term development of the site by a local Junior Football Club.

40. Transfer of the site will save the Council £30k pa in annual maintenance costs and help to deliver the Government's Big Society agenda at a local level.

41. For the reasons in para 34 and 35, the transfer of the site to Raw Foundation is the preferred option.

## **FINANCIAL, LEGAL AND WARD IMPLICATIONS**

### **Financial implications**

42. The Business Case details that the site will be financially sustainable from Year 1 without any Council subsidy. Income streams include football players' subscriptions, revenue from hiring the pitches for adult football and cricket and, once it is constructed, revenue from the café within the pavilion.

43. Transfer of the site will create a saving to the Council of £30k pa through ceasing the maintenance of the site.

44. 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 site, the Council has calculated a notional market rate for rent of £7,145 pa.

45. No Council contribution is required for the construction of the new pavilion. The funding profile is as follows:

<b>Amount</b>	<b>Funder</b>	<b>Status of application</b>
£50k	RWE (Private sector)	Confirmed
£50k	Sport England Inspired Facilities	Agreed in principle; Decision expected 26 November 12
£100k	Football Foundation	Agreed in principle pending lease; Application to be submitted 7 December 12
£50k	TFM Cash for Kids	Confirmed

### **Legal implications**

46. The Council would sign a 25-year lease with the Raw Foundation for the transfer Mill Hill playing fields, should the recommendation to proceed be approved.

47. Raw Foundation would then sub-let the site to Cleveland Juniors, who will operationally manage the site. The Council would approve the detail of the sub-lease and would also put in place a Service Level Agreement direct with Cleveland Juniors to ensure a contractual relationship is in place.

### **Ward Implications**

48. The site is located in Acklam ward and attracts users from the local area as well as town-wide. Transferring the site and the construction of a new pavilion will enhance the use of the site for sport.

49. Ward councillors were given the opportunity to meet Raw Foundation to discuss the proposal. Cllr Lowes attended the meeting and offered his full support for the transfer.

50. Cllr Lowes attended a subsequent meeting between the Council, Raw Foundation, Football Foundation and Yorkshire Cricket Board to develop the proposals. At the meeting, he agreed to be part of the management group for the site going forward.

### **RECOMMENDATIONS**

51. That Executive Sub-Committee for Property approves the transfer of Mill Hill playing fields to Raw Foundation.

### **REASONS**

52. To secure the full annual saving through ceasing to maintain the site.

53. To enable Raw Foundation to secure funds to construct a new pavilion at no cost to the Council.

54. To contribute to a robust VCS sector.

55. To secure a valuable community facility for Mill Hill for the medium to long-term.

## **BACKGROUND PAPERS**

- Business Case for Mill Hill playing fields (confidential pursuant to paragraph 3 of Schedule 12A of the Local Government Act 1972)

**AUTHOR:** Rachel Steel, Senior Project Officer

**TEL NO:** 01642 729615

---

Address: Civic Centre, Middlesbrough, TS1 2QQ

Website: <http://www.middlesbrough.gov.uk>