

MIDDLESBROUGH COUNCIL

EXECUTIVE REPORT

Community Services Review | 2-5 Langdon Square – Coulby Newham Baptist Church

Executive Member for Regeneration and Economic Development: Charles Rooney

Executive Director of Neighbourhood and Communities: Kevin Parkes

9th September 2014

PURPOSE OF THE REPORT

1. To present the business case for the Community Asset Transfer of 2-5 Langdon Square to Coulby Newham Baptist Church and seek approval for the transfer to proceed.

SUMMARY OF RECOMMENDATIONS

2. That the Executive Sub-Committee for Property approves the transfer of 2-5 Langdon Square to Coulby Newham Baptist Church on a 25 year peppercorn lease.

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

It is over the financial threshold (£150,000)
It has a significant impact on 2 or more wards
Non Key

X

DECISION IMPLEMENTATION DEADLINE

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

Non-urgent
Urgent report

X

BACKGROUND AND EXTERNAL CONSULTATION

Background

3. To promote community-led regeneration and to support an increasingly robust Voluntary, Community and Social Enterprise Sector (VCSE), the Council recognises the benefits of transferring surplus assets to community management.
4. Such transfers have a number of benefits for both the Council and Voluntary Sector Organisations (VSO). The Council will save resources in the long term by increased value for money through sharing costs, increased usage and levered investment. For VSO such transfers provide increased financial security, promoting growth, increased capacity and sustainability and the potential for increased investment, in terms of potential bank borrowing and external funding.
5. 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 all repairs, maintenance and running costs.

Business Case for the transfer of 2-5 Langdon Square to Coulby Newham Baptist Church

6. Coulby Newham Baptist Church is a community church ran by local people to make a difference in their locality. They have been working as an asset to the Coulby Newham and wider Middlesbrough area for 25 years. The Church has a congregation of over 70 members from the Coulby Newham, Ladgate, Marton and Hemlington wards.
7. The Church has been operating out of the 2-5 Langdon Square for 16 years on various short term leases, and have demonstrated their ability to successfully manage the facility over this time. Throughout this time the Church has been responsible for the internal and external management of the building.
8. The work undertaken by Coulby Newham Baptist Church supports the Council's Change Programme Principles through building services around resident and community needs and also providing direct resources into early intervention. To meet the demands of the local population, the services that are offered by the Coulby Newham Baptist Church have increased since they have operated out of the building. The Church is responsible for providing over 110 volunteer hours per week to enhance community cohesion and address social needs of the area, the work carried out by the volunteers, particularly with the youth of Coulby Newham assists in reducing anti social behaviour problems in the area..
9. The Church provides a valuable service to the residents of Middlesbrough on top of faith activities, these are free to the end user and include:
 - a) Children's Club – 5 volunteers provide a 2 hour session for over 20 children per week learning new skills and developing relationships;
 - b) Parent and toddler group – Developed as a response to parents in the area feeling isolated with young children;
 - c) Seniors Coffee Morning – Volunteers collect vulnerable and isolated residents to attend the weekly coffee morning. The session is often the only

time the residents are able to leave their home and provides emotional support for the attendees;

- d) Kudos Club – Youth group for 10-17 year olds, where Youth workers invest in the young peoples' growth and development; and,
- e) Community Youth Workers – The Church run a gap year programme that allows 18-25 year olds the opportunity to work as youth workers. The Youth workers provide support to teenagers with behavioural issues and are often under achieving at school. As part of this 20 hours of volunteering per week is provided at Kings Academy helping the children realise their potential.

10. The granting of a 25 year lease will allow the Church to access capital funding to make improvements to the building. This will allow them to develop further the services they provide to the Coulby Newham area.

Future Plans

11. There would be a number of improvements that the Church proposes to make on the property subject to successful funding bids, such as

- adding windows to allow natural light into the hall;
- changing of the external red bars that surround the property to be a more aesthetically pleasing fence; and,
- the addition of better signage and information on the property and investment into the interior of the property to better facilitate the provision of the above listed services. If these aesthetic changes were made then it would be a significant improvement to the look of the public realm between 2-5 Langdon Square and Langdon Square Community Centre and improve the environment inside the building.

12. In the event of significant capital funding and subject to planning permission the Church would want to extend the hall size to allow the current groups to grow beyond the current capacity, and create extra break out rooms for additional offices, meeting rooms and storage space.

13. A 25 year lease would provide the Church with the security of tenure that would allow them to develop further services for the local community. They hope to develop the following projects:

- Debt Centre – where a volunteer manager would provide financial advice to the local community;
- Job Club – volunteers from the Church would receive high quality training to advise and mentor the unemployed back in to employment;
- Community Forums – where residents from nearby streets can use the building to discuss issues in their locality and potential measures to improve the area; and,
- Community Garden – they hope to develop a community garden on a piece of land adjacent to 2-5 Langdon Square where the community would be responsible for its maintenance. They hope this would extend to the planters in the public realm between Langdon Square Community Centre and 2-5 Langdon Square, reducing the Council's revenue spend.

14. The key points of the Coulby Newham Baptist Church's business plan are as follows:

- that the Church will continue to assume responsibility for the buildings financial management and upkeep without any tapered subsidy from the Council;
- the existing use of the building will continue;
- that the Church will continue to work with the local population through engagement, education and community involvement to improve community cohesion and addressing some of the social need in the area; and,
- that the Church will source new external sources of funding to maintain and develop services provided.

15. To increase income and support the running of the building the Church plan to hire out rooms within the building at a low rate for community use. They have received several enquiries regarding the hiring of the facility and believe there is a true demand.

16. The business case references the close working relationship the Church enjoys with Langdon Square Community Centre and states it has no intention to compete with the community usage within Langdon Square. The Church believes they could work in partnership with Langdon Square, for example, if Langdon Square was unable to accommodate a community activity then the Church would be able to facilitate.

Consultation

17. This proposal is supported by the local community and the three Ward Councillors for Coulby Newham.

Next steps and timescales

18. If approved, a 25-year lease for the transfer of 2-5 Langdon Square, in line with the terms set out in this report, would be agreed and estimated to be in place by the end of December 2014.

IMPACT ASSESSMENT

19. The Community Asset Transfer process has been subject to a Stage 1 Impact Assessment. The continued use of the facility would ensure that no negative differential impact on diverse groups and communities is anticipated from the implementation of the process.

OPTION APPRAISAL/RISK ASSESSMENT

20. The following options are available in respect of the future of the 2-5 Langdon Square:

Option 1: Do not proceed with the asset transfer – continue with current lease arrangements

21. This option would ensure that in the short term the services provided at 2-5 Langdon Square would continue to be available to local residents. However it does not assist in the Church's long term aspirations and vision as they require improvements to the current building and larger premises to increase service provision and meet local demand. Whilst at present the Council resources spent on the building is negligible, it represents an ongoing liability.

Option 2: Transfer the building to Coulby Newham Baptist Church – recommended

22. This option represents good value for money, has local community and Ward Councillor support and will offer social and educational services to the local area. The 25 year lease will allow the Church to continue to provide and improve the valuable service to Middlesbrough and will also enable them to bid for certain capital funding that is only available with such security in place that would safeguard their position.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

Financial implications

23. The Business Case details how the Church is a well established organisation that has operated at 2- 5 Langdon Square for the last 16 years, providing an important service to the local area. The Church is primarily funded by its members with a proportion of their income each month going to the Church, with all running costs and staffing salaries to be sustainably funded by this. This finance model has proven successful for the Coulby Newham Baptist Church over the last 25 years.

Three year financial forecast

	2014	2015	2016	Total
Total income	£55,680	£58,600	£60,500	£174,780
Total expenditure	£58,300	£58,600	£60,500	£177,400
Surplus/Deficit	-£2,620	£0	£0	-£2,620

24. The Church currently has reserves of over £18,000 which would be used to mitigate any deficit in the running of the facility in future years. Although the financial forecast shows a slight deficit, the business plan does not forecast any financial income from the planned hiring out of rooms within the building to the community. It is envisaged that this will generate a surplus which would be used to increase provision or improve the building.

25. Under the asset transfer of 2-5 Langdon Square, the Council will not be required to provide a subsidy to assist in the running costs of the building.

26. The building at Langdon Square has an asset value of £80,000. Any CAT also involves the Council passing up the opportunity to rent the building to a commercial operator, and it is important to be transparent about this. For this building, the Church is currently paying a rent of £2,000 p.a. The Church has stated that this saving in rent would be used to expand the services they provide or make internal improvements to the building; however it could also be used to offset the deficit in running costs.

27. The outreach work undertaken by the Church is substantial as highlighted in paragraph 8 (and the associated a-e bullet points). If you take bullet points a and e which can be easily quantified it shows that over a 40 week year a total of 1200 volunteer hours are undertaken. This equates to a total of almost £10,000 (if you assume each volunteer is

paid the living wage - £7.65/hour). All this activity reduces the impact upon Council resources, which in effect can be seen as a saving upon Council expenditure.

Legal implications

28. The Council would agree a 25-year lease with Coulby Newham Baptist Church for the transfer of 2-5 Langdon Square, should the recommendation to proceed be approved.

Ward Implications

29. This building is within the Coulby Newham ward. The transfer would secure a valuable service for not only this ward but also the surrounding area.

RECOMMENDATIONS

30. That the Executive Sub-Committee for Property approves the transfer of 2-5 Langdon Square to Coulby Newham Baptist Church on a 25 year peppercorn lease.

REASONS

31. To contribute to a robust Voluntary Community and Social Enterprise sector and to ensure the continuation of a valuable service to the residents of Coulby Newham and the surrounding areas.

BACKGROUND PAPERS

- Management Committee | Business Case for Coulby Newham Baptist Church, 2-5 Langdon Square (confidential)

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