

Cabinet

12 June 2019

Sherburn Hill School Site Future Use



Ordinary Decision

Report of Corporate Management Team

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Councillor Brian Stephens, Cabinet Portfolio Holder for Neighbourhoods and Local Partnerships

Councillor Carl Marshall, Cabinet Portfolio Holder for Economic Regeneration

Councillor Kevin Shaw, Cabinet Portfolio Holder for Strategic Housing and Assets

Councillor Olwyn Gunn, Cabinet Portfolio Holder for Children and Young People's Services

Electoral division(s) affected:

Sherburn

Purpose of the Report

- 1 To seek Cabinet approval for the former Sherburn Hill School site to be asset transferred on the basis of a long term full repair, maintenance and insurance (FRMI) lease to Sherburn Hill Hub for use as a community centre.
- 2 To seek Cabinet approval for a delegated decision on funding ring fenced to support the development of a community building in Sherburn Hill.

Executive summary

- 3 Durham County Council's Cabinet made the decision to close Sherburn Hill School in May 2018 with the closure coming into effect on the 31 August 2018. The report gave the option for an alternative use as a community centre to be explored.
- 4 A local community Group, Sherburn Hill Hub (SHH) have been working together to look at the option of taking on the school site as a community centre.
- 5 SHH have carried out community consultation that shows a high percentage of those surveyed would like to see a new community facility in Sherburn Hill and would potentially access activities at the centre.
- 6 A robust business plan outlining how the building could be used and how they would generate income to secure the long term sustainability of the centre has been produced with support from Durham Sparks (Community Enterprise Durham – an ERDF and DCC funded project to support community enterprises across County Durham delivered by Finchale Consortium) and DCC's Partnership and Engagement Service.
- 7 Cash flow forecasts for the two years show that the centre is projected to meet its running costs and build its reserves.

Recommendation(s)

- 8 Cabinet is recommended to:
 - (a) agree to the principle of the granting of a long term lease at a peppercorn rent to Sherburn Hill Hub (SHH) to allow them to deliver community activities from the former Sherburn Hill School Site
 - (b) agree to allocate an amount in the region of £310,000 from the ring fenced Durham County Council legacy funding to undertake works on the site to make it suitable for community use. Funding would also be used to supplement the first two years of the staff wages. This will be vital in establishing this new organisation and sustaining it over its initial two years
 - (c) agree to delegate decision making on the balance of the legacy funding (circa £90,000). This funding would become available once the building work has been completed subject to it not being for any additional contingencies.

Background

- 9 The decision to close Sherburn Hill School was made by Durham County Council's Cabinet on 16 May 2018. The school formally closed on the 31 August 2018.
- 10 The Cabinet report stated that, 'the Council recognises the important role vibrant community facilities can play in helping to maintain strong communities and is conscious that the closure of the former Sherburn Hill Community Centre has been a loss to the village'.
- 11 The Cabinet report also stated, 'if the site is no longer required as a school site, the option of using it as a community centre will be actively explored with local residents. If a viable option can be developed, then this would be the subject of a further report to Cabinet'.
- 12 Following the closure of the former community centre in 2013 a number of local people came together to form SHH a Charitable Incorporated Organisation offering limited liability for trustees. Their aspiration was to build a new community centre for the village. To support that aspiration, Cabinet has previously agreed a contribution of £400,000 from the development dividend generated from a Durham County Council legacy project.
- 13 Land in the village was identified and applications were made for external funding to support the development of a new centre. However applications in 2015 to funders such as The Big Lottery were unsuccessful so SHH were unable to progress with a new community centre build.
- 14 SHH have continued to meet and have been very active since the closure of the school was announced. They are keen that the school site be utilised going forward as a resource for the local community.
- 15 SHH are committed to developing the school site as a community centre and managing the centre and its development.

Sherburn Hill School Site

- 16 The former school building consists of a main hall, kitchen, toilets, class rooms, offices, storage space and outdoor space.
- 17 A conditions survey carried out in 2017 found that the building was in a good state of repair. The only cautionary note was that the electrics in the building although sound at the moment would need replacing in the not too distant future.
- 18 Further survey work has been carried out as there were concerns that the building might be suffering from floor heave. However

investigations have shown that this is not the case and the issue is with the top layer of the floor 'screed'. Proposals to resolve this have been included in the surveyors report.

- 19 The most recent Asbestos Management Plan (AMP) shows that there are currently no major issues and that the asbestos in the building is being managed. However underfloor piping ducts are lined with cement which contains asbestos so if repairs were needed in the future then the linings would have to be replaced and costs would be high. As the proposed works to the centre set out below could disturb the asbestos an amount has been included in the feasibility study to cover this eventuality. In addition, as set out in paragraphs 26 and 27, there are additional contingencies for the project should they be required for unforeseen costs.
- 20 The building is currently empty and security measures are in place to ensure that the building is secure. There have been reports of people on site and there has been some limited vandalism at the site.
- 21 There are no requirements to inform the Department for Education about the potential change of use of the school building as this was covered by the report which formalised the closure of the school.
- 22 Some work will be required to adapt the school for community use which includes the relaying of some floors, replacement of children's toilets, fitting of a lift to enable access to the hall, creating an accessible toilet/changing space and the refitting of the kitchen/café area. Details of the works required are detailed in Appendix 2.
- 23 The surveyors estimate for the work is circa £270,000. This includes a 25% contingency fee. These costs could be covered from the £400,000 that is available to SHH from the DCC legacy funds.

Available Resources

- 24 £400,000 of funding is available for this project from a Durham County Council legacy fund that was agreed by DCC Cabinet in June 2014. Currently this funding is held by DCC but it is ring-fenced for investment in the Sherburn Hill area.
- 25 A decision on this funding is requested which would address two elements of the project:
 - (a) In order to make the building fit for purpose some alterations to the building will need to be made (*as detailed in paragraph 22-23*).

- (b) The committee is keen to use the funding to create a reserve fund for the centre and to fund the first 24 months of a centre manager post.
- 26 It is proposed that any remaining funding, once all building work has been completed, will be allocated through a process in line with the procedures in place for allocating a similar fund in the West Rainton area. It is proposed the decision making on that funding is delegated to a panel which is made up of the 2 County Councillors, 2 Community representatives, 1 representative from Durham Area Action Partnership and 1 Durham County Council Officer.
- 27 Following the closure of the old Sherburn Hill Community Centre and the winding up of the old committee, SHH have a legacy fund of £25,500. This funding is being used by SHH to support the proposal.
- 28 Cash flow forecasts are shown in the business plan which indicate that the centre generate a surplus within 2 years.
- 29 Over the first two years it is proposed that funding from the DCC legacy fund is used to subsidise staffing costs on a sliding scale. £22,000 in year one and £11,000 in year two. External funding after this date may need to be secured in order to continue the post for a development manager, although cleaning staff costs can be sustained. Other centres across County Durham do operate without paid staff and the situation would be reviewed at the end of year 2.
- 30 A key strength to the SHH proposal is the involvement of key partners. These include Ethicare who are a long-established organisation providing day care for adults with disabilities and Durham Area Youth (DAY), a well-established youth work organisation in the area. There has also been interest from other organisations, including Go the Distance (GTD), a new organisation who provide alternative education opportunities for young people.

Community Consultation

- 31 SHH have carried out a consultation with local people between September and November 2018. This included hard copy questionnaires being delivered to every house in Sherburn Hill and Littletown, an online survey, and Facebook polls.
- 32 120 questionnaires were returned with 119 people stating that they thought it was a good idea to turn the School into a Community Centre. 104 people said they would use a new centre and the most popular activities that people wanted to see were, a café, hall hire, arts and crafts, cinema, social events with a bar, bingo and a gym/fitness classes.

- 33 201 people responded to a poll on social media with 96% of people saying that they thought the school site should be kept as a community centre.
- 34 Key findings included;
- (a) The main groups people thought would benefit would be older and younger people as well as the wider community
 - (b) 11% of respondents said that they thought childcare was an issue in the area and 13% said they would use before/after school clubs.
 - (c) 28% of adults said they would use a community gym and 18% would attend an exercise class.
 - (d) 35% of adults expressed an interest in hiring the hall/space for family occasions, with 29% of people saying they would like provision for a bar.
 - (e) 55% of adults felt the community was missing a gathering place/place to meet

Sherburn Hill Hub / Business Plan Development

- 35 SHH is an active community led group that was formed in 2014 to develop a new community centre for Sherburn Hill.
- 36 A number of partners have been supporting SHH in developing their plans including, Durham County Council, Durham Area Action Partnership, Durham Sparks, Durham Area Youth, Ethicare, Local County Councillor, Shadforth Parish Council, Go the Distance and Durham Community Action. Ongoing support will available post asset transfer from Durham AAP, Durham County Council Partnership and Engagement Service and Durham Community Action.
- 37 The business plan is a robust document that clearly sets out the aims and objectives of the organisation and how SHH will look to deliver the aims and objectives.
- 38 Key elements of the business plan include an oversight of aims and objectives, information on the governance and management of the organisation, statistical information on the local area, evidence of need (survey results), a SWOT analysis on the proposal and cash flow forecasts.

- 39 The survey findings show that local people do see the need for a community facility in Sherburn Hill and would use it for planned activities delivered by SHH.
- 40 Cash flow forecasts show that the building can break even and look to build up reserves over the first two years. This is with financial support from the DCC legacy funding which will be used to fund staffing costs.
- 41 A development manager post will be secured to develop activities from the centre ensuring its long term sustainability.
- 42 In the short to medium term SHH is in the fortunate position of having potential long term tenants in Ethicare and DAY. Income from these organisations will go a long way to ensuring the centre's ongoing sustainability. In addition to these other partner organisations such as GTD have shown an interest in using the building should other partners drop out.
- 43 Business Plan preparation has included the consideration of all appropriate policies, insurance and licences required for the safe operation of a public building, including those relating to compliance. SHH are considering the option of taking an SLA with Direct Services for compliance and maintenance of the building, and all trustees will undertake appropriate training.

Initial Plans for the Centre

- 44 It is proposed that if approved SHH would take over part of the building to host community activities such as those outlined in the business plan. Activities would include;
- (a) Youth work
 - (b) Children's work
 - (c) SEND work
 - (d) Children's holiday activities with food
 - (e) Older people's activities and lunch club
 - (f) Community Café (operated 2 days a week by Ethicare)
 - (g) Cinema and bingo nights
 - (h) Room hire for family occasions (children's birthday parties etc)
 - (i) Fitness and exercise classes

- (j) Adult learning activities (DCC Adult learning have expressed an interest in using space)
 - (k) Gardening and green space activities
 - (l) Seasonal events
- 45 Activities for young people would be a key element of the work carried out by the centre. DAY would provide activities and it is proposed that their worker would have an office and be based at the centre. DAY have recently secured 3 year funding from the Big Lottery.
- 46 It is proposed that part of the building will be sub-leased by Ethicare, a local provider of services for adults with learning disabilities. An initial rent has already been agreed with Ethicare, if the new centre becomes a reality.
- 47 The organisations have shown commitment to the project and have been active members of the SHH planning group which has been developing the proposals and business plan.

Legal Steps Required

- 48 In line with recent Asset Transfer Policy a 30 year full repair maintenance and insurance lease will be offered. These leases are normally negotiated at a peppercorn rent and the income projections suggest the new centre would be capable of generating income. The Council's disposal at an undervalue process will therefore need to be followed if Cabinet are minded to agree the recommendations
- 49 As SHH is a relatively new group who will be taking on a large asset it has been suggested that any long term lease agreed between DCC and SHH includes a break clause. This would look to protect the long term interests of both parties. As the lease may take time to negotiate it is proposed to offer the group a temporary 12 month licence to occupy whilst the lease is finalised.

Options

- 50 Agree the asset transfer of the school site to SHH on a long term lease. This would also require the release of funding from the DCC legacy funding to facilitate the changes that will be needed to make the building fit for purpose
- 51 Do not agree the asset transfer and look at other uses for the Sherburn Hill School site.

Main implications

- 52 DCC would asset transfer the school site to SHH on a long term lease.
- 53 DCC would commit circa £310,000 from the DCC legacy fund to make the building fit for purpose.
- 54 DCC would delegate the decision making on the balance of the £400,000 legacy funding to a local decision making panel in line with similar arrangements at West Rainton.

Conclusion

- 55 The former school site is ideally placed for the delivery of services and activities to Sherburn Hill and the surrounding communities.
- 56 SHH are a well organised group who have worked hard to develop a business plan showing how they would run and sustain the centre in the future
- 57 SHH are in a very fortunate position that £400,000 is ring fenced to support a community facility in Sherburn Hill and hold a further £25,500 in the bank from the former Community Centre.
- 58 The inclusion of delivery partners within the business plan (Ethicare and DAY) will guarantee a significant contribution to the centre's income over the first 2-3 years and further strengthens the position of the group. This will be in addition to the projected income from other actives that SHH have planned for the centre. If one of the key partners were to drop out there are other interested parties for the space.
- 59 The site is currently vacant and the transfer of the site to SHH will secure community resources in the area that have not been provided in the village since the former community centre closed in 2013.

Background papers

- List any papers required by law / None

Other useful documents

Cabinet Report 16 May 2018, *Proposal to close the Sherburn Hill site of Sherburn Primary School on 31 August 2018*

Cabinet Report 11 June 2014, *Durham Villages Regeneration Limited - Update and Forward Programme*

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Appendix 1: Implications

Legal Implications.

The recommendations are consistent with the Council's power to dispose of surplus land and buildings under section 123 of the Local Government Act 1972 and the General Consent under Circular 06/2003 to dispose at an undervalue if such a decision would promote or improve the social wellbeing of the area.

Finance

DCC has already committed £400,000 legacy funding towards a new community facility in Sherburn Hill. No further funding is requested.

Consultation

SHH have carried out consultation in the local community. Returns show that there is strong support for the proposal and that any new centre would be well used by local people and partner organisations (Ethicare and Durham Area Youth)

Equality and Diversity / Public Sector Equality Duty

SHH are keen to create a facility that meets the needs of the whole community. Before any opening, work would be carried out on the building to ensure that any access issues have been addressed. User groups already interested in using the building work with adults with disabilities and with young people. Activities for older people are also planned. SHH are working with Durham Community Action to ensure that they have the correct policies and procedures in place and these are set out in their business plan.

Human Rights

Human Rights will not be affected by this proposal.

Crime and Disorder

The building is currently empty and there has been some anti-social behaviour and damage to the building. Developing activities at the centre will ensure that it is occupied and the activities provided within the centre will help to reduce anti-social behaviour in the area by providing diversionary activities for young people.

Staffing

N/A.

Accommodation

Granting SHH permission to take over the Sherburn Hill School site will ensure that a DCC asset is transferred to the community on a full repair, maintenance and insurance lease.

Risk

DCC funding is being invested into SHH / Sherburn Hill School. To mitigate this risk robust business planning has taken place, a number of partners are supporting the developments and the initial funding will help to give the project a strong base from which to develop and be sustained into the future.

Procurement

No issues.

Appendix 2: Preliminary Building Work Estimated Costs

Lift and feather in the tarmac at front door £ 2,800.00
Install a platform lift and builders work £ 14,500.00
Install a new sliding automatic door £ 9,800.00
Replace the existing internal door and locks £ 2,200.00
Refurbish the existing toilet cubicles £ 16,400.00
Refurbish the 3 existing individual toilets. £ 6,200.00
Refurbish Café area and form new kitchen £ 32,400.00
Separate the power and gas supplies and alter the intruder and fire detection systems.
£ 23,500.00
Structural repairs to cracked walls and damaged ceilings £ 3,200.00
Lift the damaged floor screeds and replace. Including floor coverings £ 40,000.00
Provide accessible toilet, remove library and replace flooring £ 14,000.00
Asbestos removal works £ 15,000.00
Asbestos Refurbishment survey £ 2,000.00
Preliminaries (based on 5 weeks) £ 20,000.00

Total for works £ 202,000.00

Optimism Bias and contingency– 24% is added to the final works total to cover issues which are unknown prior to the design of the project. £ 48,480.00

Sub Total 1 £ 250,480.00

Professional fees stages C-M (8.51% of value of works + 8.51% of 50% of contingencies and risk items). £ 19,253.02

Sub Total 2 £ 269,733.02

Planning Fee £ 350.00

Building Regulations £ 650.00

Sub Total 3 £ 270,733.02

Total budget cost £ 270,733.02