

Report

Subject : Bemerton Heath Neighbourhood Centre - Big Lottery Fund Application

Report to : The Cabinet

Date : Wednesday 28 March 2007

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Cabinet Member for Community & Housing: Councillor Cole-Morgan

1. Purpose of the Report

1.1. Wiltshire County Council are making a Big Lottery Fund Capital bid for the provision of a library space and enhanced learning facility at Bemerton Heath. One of the options to accommodate this facility is to have an all encompassing facility using the existing Bemerton Heath Neighbourhood Centre and the property next to it at 64 Pinewood Way. The purpose of the report is for Cabinet to decide whether in principle they are prepared for the Bemerton Heath Neighbourhood Centre and the adjacent building to be used for this purpose.

2. Background

2.1. Wiltshire County Council identified an opportunity to bid from the Big Lottery Fund for additional library facilities in the County and have chosen Bemerton Heath as their preferred location.

2.2. At present the Bemerton Heath Neighbourhood Centre provides the following services:-

- Salisbury College – Essential skills (Maths, English) plus computer courses.
- NCH – Play schemes
- CAB –
- SDC – information service, facilities for a luncheon club, children's parties, credit union sessions, homework club, police liaison, coffee mornings.

2.3. The bid is to provide a Library space which would reflect the community's wish to have relaxation space and a coffee shop as well as the normal facilities you would expect in a library. There are also proposals to provide a large activity space to be shared by all providers and hired out for community use and to expand the learning facilities provided by Salisbury College.

2.4. WCC have identified 3 potential sites for this facility:-

- Extension of the existing Neighbourhood Centre into the property next door.
- New build on a green field site.
- Demolition of the NCH building and rebuild.

2.5. The property next to the Neighbourhood Centre is owned by the Council and leased to the Lighthouse Project. It provides a rent of £9,200 p.a.



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2.6 The HRA Business Plan Project Board will shortly be receiving a report on all HRA assets and their potential use with a view to maximising and possibly realising the value of those assets in relation to the HRA business plan.

3. Implications of allowing the Bemerton Heath Neighbourhood Centre and 64 Pinewood Way to be included in the bid

3.1. Revenue

3.1.1 The Council would lose the revenue income from the lease of £9,200 p.a for 64 Pinewood Way.

3.1.2 WCC say the bid would include the running costs of the library space and a contribution to the running costs of the shared spaces (coffee shop, activity room, toilets etc.) This could mean revenue costs to the General Fund may be higher than the net budget costs of running the Neighbourhood Centre alone of £37,650 excluding any repair and maintenance costs.

3.1.3 One of the options the HRA Business Plan Project Board will be considering is whether to stop revenue funding the Neighbourhood Centre from the HRA either by closing the centre or by recommending that the costs be borne by the General Fund as the community in general benefits from the facilities not just tenants. The HRA currently pays the salary of the Neighbourhood Centre Manager.

3.1.4 The revenue costs associated with the running of this centre are still unknown. The Council will need to determine whether it is prepared to contribute towards the additional revenue costs which are likely to be in the region of double the current BHNC Budget.

3.2 Capital

3.2.1 As previously mentioned the HRA Business Plan Project Board is considering the options for the HRA assets. There is potential for all 4 shops on Pinewood Way to be sold on the open market. These were last valued in 2003 at £60,000 each. Alternatively any shop could be sold individually.

3.2.2 Wiltshire County Council have inferred that any notional capital receipt we may receive for disposal of the property in question could supplement the lottery bid if new build is pursued.

A condition of a successful bid would require the Council to sign up to a 20 year lease with no break clause for both buildings, basically committing Salisbury District Council to provide the two buildings for this stated use together with any associated costs for 20 years.

4.0 Risks to the Council

4.1 There could be an increase in revenue costs to the council if this facility is provided in the way suggested and there will be a loss of income from the current lease.

4.2. The County's application would require us to provide them with a 20 year lease with no break clause. Therefore any revenue commitment we make will be for a 20 year period

4.3. If the council retains the ownership of the buildings and has responsibility for the management of the new service, it would need to ensure that that any commitments required of the County for the 20 year period are legally binding.

4.4. There is no firm commitment from the County Council that they will be able to meet their revenue contributions beyond the 3-year funding included in the bid

4.5. The HRA Business Plan Project Board loses the opportunity to make some of the savings required to make the HRA Business Plan viable.

4.6. Salisbury District Council will be required to commit both buildings and at a minimum the current revenue costs for 20 years

4.7. Benefits to the Council

The last CPA report suggested that the Council should look to get involved in other community facilities like those provided at the Neighbourhood Centre.

5. Options:

- 5.1.1 Not to support the application and therefore the options available to the County are new build only.
- 5.1.2 Support the application on the condition that the County purchase one or both properties at the full market value. This would be on the condition that if the BHNC was acquired that the current service provided continues. The Council would need to commit the current revenue funding to support the service
- 5.1.3 Support the application on the condition that the County commits to both re-imburse the Council for the £9,200/annum rent for 64 Pinewood Way and to cover all additional revenue costs associated with the running of the new facility over and above the costs that the Council currently contributes towards the running of the BHNC for the duration of the 20 year period.
- 5.1.4 Support the application and forego the lease income for the property, however, the County would be expected to commit to cover all additional revenue costs associated with the running of the new facility over and above the costs that the Council currently contributes towards the running of the BHNC for the duration of the 20 year period.
- 5.1.5 Support the application, forego the lease income and contribute to the additional revenue costs

6. Recommendation:

Members are requested to agree one of the options in 5 above.

7. Implications:

- 7.1 **Financial** : Included in the report
- Legal** :
 - The Council is required by section 123 Local Government Act 1972 to obtain the best price reasonably obtainable when disposing of or granting any interest out of any of its property assets unless it obtains the consent of the Secretary of the State. However the General Disposal Consent [England] 2003 enables the Council to dispose of or grant an interest out of a property asset at an undervalue for social, economic or environmental well being purposes provided that the undervalue does not exceed £2 million
 - All of the options other than the "do nothing" option will need the Lighthouse Project to agree to the early termination of its lease
 - Option 2 would involve sale and leaseback. Independent advice would be required on disposal value and on the terms of the lease including rental
 - Option 3 would involve the County Council taking a commercial lease. Again independent advice would be required on the terms of the lease
 - Options 4 and 5 would involve the County Council taking on a concessionary lease
- 7.2 **Human Rights** : the lease of the Lighthouse project will in all probability amount to a property right for the purposes of First Protocol Article 1 [protection of property]
- 7.3 **Personnel** : Included in the report
- 7.4 **ICT** : None in respect of this report
- 7.5 **Community Safety** : None in respect of this report
- 7.6 **Environmental** : None in respect of this report
- 7.7 **Council's Care Values** : promoting excellent service, supporting the disadvantaged, willing partner.
- 7.8 **Wards Affected** : Bemerton Heath
- 7.9 **Consultation Undertaken:** Internal, County Council, Community