

The Vale of Glamorgan Council

Cabinet Meeting: 31 October, 2016

Report of the Cabinet Member for Regeneration and Education

Rationalisation of Council Assets in Llantwit Major

Purpose of the Report

1. To present to Cabinet a proposal for the future of Llantwit Major Youth Centre and the Western Vale Integrated Children's Centre.

Recommendations

1. That Cabinet approves the development of a strategy for the future of the Western Vale Integrated Children's Centre (WVICC) (and associated services to be operated out of that facility), in partnership with a community or voluntary group (to include consideration of a Community Asset Transfer) based on the premises accommodating Youth and Community Services within the WVICC building.
2. That Cabinet approves an initial proposal to lease part of WVICC to a third party nursery provider in order to maximise the short term use of the site and meet local demand and that Cabinet delegate authority to the Managing Director, Section 151 Officer and the Interim Director of Learning and Skills to market the opportunity and agree appropriate terms and conditions for the lease.
3. That, subject to recommendation one, Cabinet approves that Youth and Community Services that currently operate from Llantwit Major Youth Centre move into the WVICC building in due course.
4. That, subject to recommendations one and three, Cabinet declares Llantwit Major Youth Centre as surplus to Council requirements.
5. That, subject to recommendations one, three and four, Cabinet approves the marketing and disposal of the vacated Llantwit Major Youth Centre site and delegated authority be given to agree the terms and conditions of the disposal to the Managing Director, in consultation with the Leader, Cabinet Member for Regeneration and Education and Section 151 Officer.

6. That, subject to recommendations one, three, four and five that Cabinet delegates authority to the Section 151 Officer to appoint Property Agents/Consultants to assist with the marketing and disposal of the Youth Centre site.
7. That Cabinet delegates authority to the Head of Legal Services to prepare, complete and execute the appropriate legal documentation required to lease part of WVICC to a nursery provider and dispose of the Youth Centre site.
8. That, subject to recommendation one, Cabinet receives a further report in due course relating to the Community Asset Transfer (CAT) of the WVICC site following the advertising of that building, associated services and the project as a whole.

Reasons for the Recommendations

1. To ensure a sustainable future for the Western Vale Integrated Children's Centre by creating a community hub and to minimise building running costs for the Council, whilst maximising voluntary sector presence within Llantwit Major.
2. To maximise the short term use of the WVICC site and meet local demand for a nursery provision in Llantwit Major.
3. To maintain the existing Youth and Community learning provision within Llantwit Major.
- 4,5,6 To enable the sale of Llantwit Major Youth Centre, generate a capital receipt for the Council and realise revenue savings resulting from the running costs of the building.
7. In order to complete the disposal of Llantwit Major Youth Centre.
8. To ensure that the Council's CAT guidance is followed and that Cabinet are kept updated as the project progresses.

Background

1. The Council owns two buildings close to the Railway Station in Llantwit Major, namely Llantwit Major Youth Centre (LMYC), Station Road and the Western Vale Integrated Children's Centre (WVICC) also at Station Road, Llantwit Major.
2. WVICC was, until September 2015 occupied under a short term lease by the Trustees of Llandaff Diocese. The Diocese staff managed the facility and also provided the St Illtyd Day Nursery. The Diocese closed the day nursery in July 2015 and relinquished their interest and occupation of the building from 30 September 2015. As a result of this the Council has considered options for providing a continuation of both the Council and community services that are currently offered at WVICC for the local community. Council services that are currently provided from the site include Families First, Adult Community Learning and contact sessions facilitated by Children's Services. Community

services that operate from WVICC include support groups for parents, carers, child minders and families, after school club, language and play, Citizen's Advice, Action for Children and a Sensory Room. WVICC shares the building with St Illtyd Primary School.

3. LMYC occupies a prominent location close to the Railway Station and in very close proximity to WVICC. LMYC operates a youth club on weekday evenings, a drama club and contains a grant funded music studio, which is very popular and widely used.
4. Two studies have been undertaken to explore individual options for both sites. Firstly, the Council's Learning and Skills Directorate recently commissioned the YMCA to undertake a feasibility study about the future options for LMYC. The subsequent report proposes significant capital investment is required to create a Youth Hub in Llantwit Major and recommends collaboration with a voluntary sector partner in order to secure the future of the building and facilities.
5. In the recent Asset Management Review undertaken by Jones Lang LaSalle (as part of an Invest to Save Property Project), it was recommended that consideration be given to opportunities to co-locate LMYC and the services provided from WVICC, given the very close proximity of these facilities. It is suggested that this may provide an opportunity to identify possible revenue savings and also create an opportunity to dispose of one of the buildings, which could generate a capital receipt for the Council.
6. A report was taken to Cabinet on 27th July 2015 presenting the outcome of the Jones Lang LaSalle review and delegated authority was granted to the Head of Children's Services and Director of Learning and Skills in consultation with the Cabinet Members for Adult Services and Children Services & Schools to consider options for the Youth and Community Learning Service in Llantwit Major within the nearby Family Centre (WVICC), subject to a further report being presented to Cabinet in due course.
7. A project team has been set up comprising representatives from Learning and Skills, Social Services, Property and Business Improvement to investigate potential future options for the two sites and the findings are outlined in this report.

Relevant Issues and Options

8. An options appraisal was developed and evaluated against a number of agreed objectives, which were to maintain both Council and community services that are currently provided from LMYC and WVICC; to minimise long term cost burden for the Council by reducing revenue costs; and finally to minimise long term capital investment requirements for the Council by rationalising assets.
9. Seven options were considered and evaluated against the objectives and the full options appraisal can be found in [Appendix A](#). The outcome of the options appraisal was that one option (option four) was preferable, due to it meeting all three objectives of the review and it being the most economically advantageous option for the Council. This option proposes that the Council works in partnership with a community or voluntary partner to develop and define a strategy for the future of WVICC to include operating youth and community

Services from the WVICC building along with any existing services that currently operate from the premises.

10. In summary this strategy seeks to:
 - Develop a sustainable plan for WVICC and associated services in partnership with a voluntary or community organisation and the local community based on the premises accommodating Youth and Community Services.
 - Lease the nursery rooms in WVICC to a commercial nursery provider in order to maximise the short term use of the site, meet local demand and provide an income stream.
 - Market and sell LMYC to generate a capital receipt for the Council and realise revenue savings resulting from the running costs of the building.
 - Undertake a Community Asset Transfer (CAT) of the WVICC site to a voluntary or community partner to include the transfer of the lease between the Council and a commercial nursery provider as an income stream.
11. It is proposed that the integrated centre would meet the needs of families, groups, individuals and the voluntary sector in Llantwit Major. This will include young people's groups, hobbies and pastime clubs, self interest groups and support groups for all members of the local community. However, specific priority would be given to children, young people and family groups.
12. It is proposed that the Council enters into a partnership arrangement with a voluntary or community group for a minimum of three years and together, the partnership should agree the extent of building works required to the WVICC site to accommodate the partner, Vale Youth Services and the Major Music Studio that is currently located in LMYC.
13. It is envisaged that a community or voluntary group would be the key players in the partnership who would work with the community to develop needs based services. The Council would be an active partner in the joint delivery plan and would be on hand to offer support and guidance as appropriate. Under the new partnership arrangement, all of the groups that currently operate from WVICC could continue to do so. This would be supplemented by the addition of Youth Services, Adult Community Learning and sexual health, as well as voluntary groups. The Council, via the Learning and Skills Directorate, would offer staff time to assist with the running of the premises (room bookings, management of user groups etc.) as an in-kind offer in return for the provision of accommodation for Youth Services to operate. The Council would not diminish its responsibility for provision supplied by its core services but is willing to work towards the community taking ownership of these functions if it expresses an interest to do so.
14. It is also suggested that the Council provide an element of starter funding to reconfigure the WVICC site and to enable the transfer of the Major Music studio from LMYC to WVICC. The anticipated financial implications relating to this option are outlined in the relevant sections of this report.
15. A number of consultation exercises have been undertaken and these suggest that there is demand from the local community for a nursery to operate from the site, and there is sufficient interest from potential providers. Should

Cabinet approve the proposal to lease part of the WVICC site to a commercial nursery provider, consideration would be given to transferring this lease to the community or voluntary partner to manage. Such agreement should generate income into the partnership, with the aim of covering the running costs of the building. It is suggested that the partnership also considers other income streams from the site, such as marketing the music studio for use, rental of rooms, office space etc., which would further financially benefit the partnership.

16. It is also proposed to sell the LMYC site in order to generate a capital receipt. A proportion of this could then be used to offset the building work required to make improvements to WVICC. The determination of the boundaries for the site to be disposed of will be discussed with Learning and Skills colleagues given the site's proximity to St Illtyd Primary School.
17. It is also proposed that the entire WVICC site and the services operating out of it are put forward for community asset transfer (CAT) to a suitable community or voluntary group under a long lease and associated partnership agreement/service level agreement so that they become responsible for the running of the premises and the services. The asset will be advertised on the open market for transfer through a "window of opportunity" process to allow interested parties to submit an expression of interest within a defined time period. It is proposed that at this stage the Council's intentions for the future of the building are advertised so that interested parties are restricted to community and voluntary groups who would be able to work in partnership with the Council to deliver the proposed outcomes of the partnership and this would be in the knowledge that a nursery provider would be operating from the site.
18. It is proposed that following the development of further plans for the future of the WVICC site that Cabinet receive a further report relating to the Community Asset Transfer following the advertising of that building and associated services in line with the Council's Community Asset Transfer guidance.

Resource Implications (Financial and Employment and Climate Change, if appropriate)

Capital Costs

19. Initial capital works will be required to transfer the music recording studio from LMYC into WVICC and a remodel of a number of rooms to make them fit for purpose and to meet the needs of the partnership. Capital costs will also be required for the marketing and disposal of Llantwit Major Youth Centre and as a contingency should any additional requirements be determined as the partnership and business case is developed. The table below outlines suggested capital amounts based on initial estimates:

Suggested Capital Amount £000	Purpose
50	Move of Music Studio from LMYC to WVICC
50	Remodel of WVICC to accommodate Youth Services and partnership requirements
44	Other Project and Contingency Costs, including marketing and disposal costs

Funding Options

Option 1: Grant Funding

20. In January 2016, an expression of interest was submitted to Welsh Government in relation to the 'Rural Community Development Fund' (RCDF) which aims to:
- Promote social inclusion, poverty reduction and economic development in rural areas.
 - Help those most deprived in rural Wales and those that have limited scope to change their circumstances.
 - Develop the resilience and capability of rural communities so that they are better able to cope with and adapt to change.
21. This project meets the criteria required for the RCDF. The consultation exercises that have been undertaken in Llantwit Major also indicate that these proposals would contribute to the objectives of the fund. A bid has been submitted for the RCDF funding for a total capital amount of £120,000 to support the project. It is anticipated that if the Council are successful in obtaining this capital, it could be used to support the development of the future strategy in collaboration with the voluntary sector and improving the current building to further enhance services currently operated from WVICC and the Youth Service. The Council would be required to match the capital grant funding with 20%. This could be funded from the sale of LMYC. It should be noted that there may be a timing issue associated with this option between the Council making the payment and receiving the capital receipt.

Option 2: Capital Receipt Funding

22. Alternatively, the sale of the land at LMYC will provide capital receipt funding; an element of which could be offered to the partnership should the Council's application for the above grant be unsuccessful. The capital receipt is initially estimated to be in excess of the amount of capital funding required to complete the necessary works at WVICC, although this cannot be confirmed at this stage. The cost of disposal of the land at LMYC could also be met from the capital receipt. It should be noted that there may be a timing issue associated with this option between the Council making the payment and receiving the capital receipt.

Ongoing Costs and Savings

WVICC

23. The annual net running costs of the WVICC building as a whole equate to approximately £35,000 and approximately £20,000 of this is made up of business rates. The property could benefit from rate relief of up to 100% depending on the future use of the premises. A voluntary sector partner could be eligible for this type of relief if registered as an independent charity meaning that they could save between 80-100% on the c.£20,000 business rates that are currently payable on the premises.

LMYC

24. The current running costs for Llantwit Major Youth Centre will be saved if the building and land are sold. The running costs for premises are currently approximately £32,000 per annum (including business rates).

Income

25. The sale of LMYC will generate a capital receipt and initial estimates suggest that this would be in excess of the amount of capital funding required to complete the necessary works at WVICC, although this cannot be confirmed at this stage. As referred to previously it is suggested that capital works are undertaken and funded by the Council if the Council are unsuccessful in obtaining grant funding from Welsh Government as part of the Rural Community Development Fund.
26. It is also recommended that Cabinet approve the proposal to lease part of the WVICC site to a third party nursery provider in order to maximise the short term use of the site and meet local demand. This lease would then be transferred to the Council's partner as part of the CAT to generate income for the partner, which would contribute towards the partners' running costs. The consultation exercises that have been undertaken suggest that there is demand for a nursery to operate from the site and that there is sufficient interest from potential providers. It would be recommended that the partnership also considers other income streams from the site, such as marketing the music studio for use, rental of rooms, office space etc., which would further financially benefit the partnership.

Legal Implications (to Include Human Rights Implications)

27. In relation to the proposed disposal of the LMYC site and the lease to a nursery provider for part of WVICC, the Council is authorised by section 123 of the Local Government 1972 to dispose of its land in any manner it wishes, including by lease. However, there is a general requirement imposed on it as a disposing authority to obtain the best price it reasonably can for any sale or lease. There are exceptions to this requirement but as it is intended to achieve best consideration for both of these transactions, these exceptions will not apply.
28. In relation to the WVICC site, applications invited under the Council's 'Community Asset Transfer' guidance will be processed and governed by the agreed procedures under that guidance and by the Council's CAT Group. All actions taken by the Group under the guidance will be ratified by Cabinet.
29. Predominantly, under the guidance, any CAT proposed to or by the Council in respect of WVICC will take the form of a lease. There will be a presumption that any lease will be on a full repairing and insuring basis so that the tenant will be responsible for all running costs of the asset.
30. The lease may also be accompanied by a Service Level Agreement that will secure the longer term benefits of the CAT particularly as it concerns the delivery of services. This will set out the agreed minimum standards, opening hours and activities, and how these will be measured and monitored. It will also

ensure that the voluntary and community organisation meets all necessary requirements to achieve optimum community benefit and use of the asset.

31. If the Council requires the community or voluntary group to enter into a formal partnership agreement, the terms, conditions and scope of that partnership will need to be agreed.

Crime and Disorder Implications

32. The disposal of the building by sale or demolition would remove any opportunity to cause damage or vandalism to Council property. Consideration should be given to the timing of vacating Llantwit Major Youth Centre prior to its sale or demolition and any increased risk to the Council of damage and vandalism.

Equal Opportunities Implications (to include Welsh Language issues)

33. An Equality Impact Assessment scoping exercise was completed and it determined that a full Equality Impact Assessment (EIA) was required. The EIA is attached in [Appendix B](#) and will be continually reviewed and updated as the project progresses.

Corporate/Service Objectives

34. This report links to a number of corporate objectives, including the Reshaping Services programme and the requirement to deliver value for money services and use of assets.

Policy Framework and Budget

35. This is a matter for Executive decision.

Consultation (including Ward Member Consultation)

36. Ward Members have previously been consulted on the options relating to these proposals and will continue to be kept updated as the project progresses. A number of consultation exercises have been undertaken within Llantwit Major and these suggest that there is demand from the local community for a nursery to operate from the Western Vale Integrated Children's Centre site, and that there is sufficient interest from potential nursery providers.
37. Current and potential building users and community partners will continue to be kept informed throughout the process.

Relevant Scrutiny Committee

38. Scrutiny Committee Learning and Culture

Background Papers

39. There are no background papers applicable to this report.

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