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| Decision maker: | Chief Finance Officer |
| Decision date: | Monday, 12 March 2018 |
| Title of report: | Delivery Arrangements for Children Centre Services in Ross on Wye (Business Case regarding release of Ryefield Centre, Ross-on-Wye) |
| Report by: | Assistant director communities |

Classification

Open

Decision type

Non-key

Wards affected

Ross East; Ross North; Ross West;

Purpose and summary

To agree the release of the Ryefield Centre in Ross on Wye for alternative use with investment in Ross Library and the Old Chapel to accommodate remaining service based at the centre. There will also be a new lease arrangement with the Ross Town Council for the use of the Old Chapel. This decision relates to recommendations agreed by cabinet on 14th September 2017 entitled "Future use of the children centre buildings" with the chief finance officer authorised to take all operational decisions necessary.

Following the decision of Cabinet in [14th September 2017](#) regarding the future management of children's centre service buildings a detailed business case has been developed in relation to Ross on Wye relocation of services. It is proposed to lease the Old Chapel from the Ross-on-Wye Town Council for a period of five years, with investment in both Ross Library and the Old Chapel in order to accommodate children centre service delivery and a multi-agency office. As a consequence of these moves the Ryefield Centre can be declared surplus to operational requirements for development potential.

Recommendation(s)

That:

- (a) to implement changes in delivery of children centre services at Ross-on-Wye based on the following:**
 - **Spend of no more than £272k is allocated to Ross Library and the Old Chapel in Ross to enable accommodation of children centre services and multi-agency office.**
 - **Agreement with Ross Town Council of a 5 year full repairing lease at zero rent, with an option to extend to 10 years.**
 - **The overage on the Old Chapel is withdrawn at the expiry of the lease with the town council.**
- (b) for the Ryefield Centre declared surplus to operational requirements and released for development potential.**
- (c) In line with contract procedure rules the Owen Pell Ltd contract for Phase 1 works is varied by no more than 50% of the original contract value to conduct an element of phase 2 works at Ross library to accommodate children centre services; and**
- (d) the Assistant Director Communities be authorised to take all operational decisions necessary to implement the above recommendations.**

Alternative options

1. The alternative option is to retain the status quo with services remaining at the Ryefield Centre. This is not recommended as the building is underutilised costing the council in the region of £65k per annum to operate. Also, retaining the building would not release an asset for the council to reinvest.
2. Other tenants could be attracted to lease part of the centre but market rents would not cover all of the on-going revenue costs.
3. That a separate tender is prepared for phase 2 works at Ross Library. This option has been discounted because there is an opportunity to conduct building work simultaneously by the same contractor appointed to complete Phase 1 work for internal changes to the library. By conducting works at the same time it has the potential to create economic efficiencies (through one contractor) and less disruption on site.

Key considerations

4. The Ryefield Centre based in Ross on Wye is the old Grammar School. It houses children centre services, the multi-agency office (MAO) and the Adults Wellbeing East Team. Until last year it did house services for adults with learning difficulties but the contractor withdrew the service. The costs to run the site are outlined below, and considering its low occupation is expensive to operate and not wholly suitable.

| Ross (Ryefield Centre) £000's | Repairs & Maintenance | Utilities | Rates & Council Tax | Cleaning & Caretaking | Total |
|----------------------------------|-----------------------|-----------|---------------------|-----------------------|-------|
| | 21 | 19 | 4 | 21 | 65 |

5. As part of the Phase 2 of the development of Sure Start programme the Ryefield Centre received external funding of £175,259 to develop its function as a children's centre. The building was opened for that purpose in July 2007. However, the model for delivery of children centre service in a local and national context has changed to be less concerned with a premise based approach to favour targeted provision closer to users. However, there remains a need for parents to meet and network, to host courses and classes, a venue for midwife and health visitor sessions.
6. Cabinet agreed a set of recommendations on [14th September 2017](#) as part of the report on "future use of children centre buildings". Recommendation b stated:

(b) subject to provision being made in the 2018/19 capital programme and to reaching appropriate agreement with Ross Town Council, Ross children centre services be provided from Ross Library and the Old Chapel;
7. Also agreed was that Chief Finance Officer be authorised to take all operational decisions necessary in consultation with Director of Children's Wellbeing to implement the recommendations on the 14th September report within approved budgets and in accordance with the council's corporate property strategy.
8. Subsequently on 12 January 2018 (and agreed by Full Council on 26 January 2018) cabinet agreed capital allocation to deliver on the recommendations agreed by cabinet on the 14th September 2017.
9. The full business case is in appendix one, based on the following principles.
 - That investment in Ross Library will be able to accommodate children centre services. This will create a reconfigured space to enable the shared use of the Dennis Potter room for children centre activity, create additional dedicated space for midwife and health visitor clinics.
 - That the Old Chapel (next to the library) will also be used for children centre services (the large space in the centre of the building); a multi-use office and secure office accommodation to enable confidential work.
10. The library is in the ownership of the council whilst the Old Chapel is owned by Ross-on-Wye Town Council. This was transferred to the town council based on a decision of [19th September 2014](#) creating a net revenue saving on the transfer of £10k.
11. The town council has struggled to let the site. Herefordshire Council would enter into a lease to occupy for a minimum of 5 years on a full repairing lease (internal and external) at zero rent and to waive the overage on the building giving the town council longer term decision on future use of the building. There would be opportunity to extend this period but the landlord would likely seek different terms e.g. a rent. It is expected that after 5 years the requirements of the council would have changed or development of a new school to accommodate the children centre services. The transfer of the Old Chapel (in 2015) contains provision for payment of overage in respect of any increase in value attributable to the grant of an alternative planning consent, any such payment to be split 50/50 between the two parties. Given the nature of the property, the restricted site and

permitted development rights the value of overage is unlikely to exceed greater the value of the rent free period as estimated.

12. The current cost of running the Ryefield Centre as outlined above is £65k per annum. The majority of revenue cost can be taken as a saving with £20k allocated to cover costs for the use of the library and the Old Chapel. The Ryefield Centre is currently designated as an asset of community value and any proposed disposal will be notified to the local community in line with proper process.
13. Capital investment of £272k has been agreed by Full Council on [26th January 2018](#) as part of a package of investment to enable the change in delivery model of children centres. Spend will cover:
 - Change of layout to Ross Library
 - Creating a health visitor / midwife clinic
 - Changes to the Dennis Potter room
 - Enable the creation of an outdoor play area
 - Making safe external wall
 - Furniture, fittings and IT
 - Layout changes to the Old Chapel to accommodate services
14. It is recommended that internal works at the library are contracted as part of an existing contract with Owen Pell Ltd at a cost of no more than £28,843 (amounting to no more than 50% of the current contract value). Owen Pell Ltd provided the lowest quote for the first phase of works previously agreed. This contract variation is in accordance with the council's contract procedure rules and will ensure that there is less disruption on site for staff, customers and partner organisations, as well as reduce significant additional and duplication of costs.

Community impact

15. The recommendation of this report supports delivery of the council's corporate plan priorities to "secure better services, quality of life and value for money" and "keep children and young people safe and give them a great start in life". Related actions are as follows:
 - Work in partnership to make better use of resources, including sharing premise costs through co-location of services and local solutions for community use facilities such as libraries
 - Improve the provision of good information and signposting to enable people to support themselves and each other, getting the right help at the right time as needs change
 - Reconfigure £3.5m to deliver early years services including children centres, health visiting and school nursing to improve the health, well-being, developmental and educational outcomes of children aged 0-5 years
 - Continue to develop a range of provision that can effectively identify and respond to safeguarding risks and needs; from the initial signs of the call for early help to a range of evidence-based interventions for a variety of complex situations
 - Promote and enable access to universal opportunities and services for children with disabilities and their families and ensure a range of provisions to meet identified need.

16. The change in location will enable the continuation of children centre services though some concerns were expressed during the consultation specifically making allowance for buggy park and car parking. There is no negative impact on the lives of looked after children and / or care leavers.

Equality duty

17. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to -

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
18. The Equality Act 2010 established a positive obligation on local authorities to promote equality and to reduce discrimination in relation to any of the nine 'protected characteristics' (age; disability; gender reassignment; pregnancy and maternity; marriage and civil partnership; race; religion or belief; sex; and sexual orientation). In particular, the council must have 'due regard' to the public sector equality duty when taking any decisions on service changes. The impact could be on the characteristic of age related to younger children and their families who use children centre services. As the services are relocating rather than closing is minimum effect. Based on the consultation some people do not like the new locations due to not having car parking on site and close to a road.

Resource implications

19. The business case is based on:
20. Capital investment of £272k. This includes the variation to phase 1 contract with Owen Pell Ltd to include an element of phase 2 works at a cost of no more than £28,843.
21. Reduced revenue cost of £65k less operation of services from the Old Chapel and Ross Library in the region of £20k per annum, creating a total saving of £45k (assuming maintenance costs taken as a saving).
22. Release of capital asset in excess of £500k and potentially significantly more depending on market value.

Legal implications

23. The council has a duty to commission children's centre services but has considerable flexibility as to how those services are provided. The views of users of the service obtained in the recent consultation process have been taken into account in making the recommendations set out in this report. The relocation of these services to an alternative site should not present any legal difficulties provided the new location offers access to users which is compliant with the council's duties under the Equality Act 2010.

24. The council has a duty under s123 of the Local Government Act 1972 to obtain best consideration for any land disposal it makes. Open marketing of a site for disposal is a helpful method in helping ensure best consideration is obtained.
25. £175,259 was invested in Ryefield to create the children centre service with funding from Dfe. As outlined in risk management there may be some risk of the Sure Start grant being subject to clawback. There have been cases of Sure Start grants being clawed back in other areas when children's centres have closed, however the council has mitigating reasons for withdrawing including the national approach of moving away from building based services, the elapse of over 10 years since the grant was awarded and provision continuing to be delivered in Ross at a different location (with investment from the council). Any agreed changes to children centre services is being submitted to the Dfe for assessment.

Risk management

| Risk / opportunity | Mitigation |
|---|--|
| The site does not achieve the expected value. | Even based on the lowest estimated cost there would be a financial return including on the revenue costs. |
| That the historic nature of the building will restrict development value. | Explore options in making the most of the building / site via development plans. |
| The library and Old Chapel are not locally popular as a children centre building. | The library is already well used by families and children with the Old Chapel located next door. Promotional material on where to park produced. |
| Clawback on funding from Dfe as not using the site which received the investment. | The council is making additional investment in the site and retaining children centre services. Proposals to be presented to DfE. |
| After 5 years the council still needs the Old Chapel for its use. | Opportunity to expend through negotiation of terms. |

Consultees

1. As regards the report to cabinet on the 14th September 2017 public consultation took place between 9 June and 10 July 2017, and options sent to group leaders and promoted via ward member updates on the 14 June 2017. Full response available from: www.herefordshire.gov.uk/ccbuildings.
2. Ward members for Ross North, Ross East and Ross West have been consulted on the proposals.
3. Plans have been shared with the chairperson of the Library User development group.

Appendices

Appendix 1 – Business Case

Background papers

None.