



Report to the Board

17 September 2015

Title: Dunston Activity Centre

Report of: Director of Customers and Communities

Purpose of Report

1. To update Board on the Council's decision to declare the Dunston Activity Centre as surplus and to approval to proceed with a community asset transfer of the building to the Dunston Family Churches.
2. Linked to the asset transfer of the building the payment counter which operates from the building will close.

Background

3. As part of the Councils review of Leisure Services, Cabinet approved savings of £120,000 on 24 February 2015, which would be achieved by not providing a subsidy to a number of leisure buildings, one of which is the Dunston Activity Centre.
4. On 15 September 2015, Cabinet approved the disposal of the Dunston Activity Centre to Dunston Family Church. As part of the decision Cabinet approved the closure of the payment counter.
5. The Council have agreed to enter into negotiations with Dunston Family Church and seek a community asset transfer with an implementation date of 1 November 2015. TGHC will be involved in the discussions regarding the provision of housing management services from the building.
6. Cabinet have been informed that the closure of the payment counter services at DAC will be the subject of a report to the Housing Company Board.
7. The Cabinet report is attached at Appendix 1.

Dunston Activity Centre (DAC)

8. Dunston Activity Centre provides a wide range of services and activities, including a sports hall for gymnastics and team sports, a small gym, bookable space for hire and accommodates the Dunston library, payment counter and housing office co-located within the property.
9. TGHC currently operates a payment counter service and also provides housing management services from office space within the property.

10. There are a range of other payment options available including options in Dunston and the wider neighbourhood that enables residents to pay rent and council tax. In addition a number of self service options are available on-line and over the telephone, enabling payments to be made 24/7.
11. DAC takes the least number of payments of all the housing offices as detailed in appendix 2. Of the 3,642 tenancies in the Inner West neighbourhood, only 28.42% of tenants paid their rent at a payment counter in 2014/15, with nearly 14% of these paying at DAC. Effectively 71.58% of tenants are paying their rent through a range of other ways.
12. In addition business monitoring by the housing team demonstrates that there is a low footfall of customers visiting the housing service in the Centre. Customers contact the service mainly by telephone. Of those customers who do visit the office, the majority do so as a result of pre-arranged appointments

Proposed future Housing services at Dunston Activity Centre

13. We will continue to provide a customer focused housing service from the centre.
14. In the coming months we will be working with customers and ward members to raise awareness of the changes to the payment service. This will involve working with customers to ensure they are fully aware of the different ways in which to access the range of ways to pay rent, council tax and pay for other council services.
15. In summary we will:
 - Notify all 3642 tenants who are managed by the Inner West team of the closure of the cash counter during the week commencing 5 October. We will give details on the alternative ways to pay their rent.
 - Hold a series of drop in sessions during October at DAC to inform customers of the payment counter closure
 - Update all customers using DAC to make payments of the alternative ways to pay their rent and how they can access payment services in the future.
16. This will enable us to work with customers on how they can access future services.
17. The Board will receive an update on the outcomes of discussions with DFC and customers at its meeting on 19 November 2015. This report will also detail the next steps regarding the closure of the payment counter along with a proposed date.

Links to Values

18. This report relates to the Company values of being: -
 - Customer focused
 - Open and honest
 - Accountable
 - Inclusive, valuing diversity
 - Passionate about what we do.

Impact on tenants and leaseholders

19. 3642 homes are managed in the Inner West neighbourhood, with an average of 250 transactions taken weekly for rent payments. Upon closure of the payment counter, tenants will be able to pay their rent in a range of ways, whilst they can continue to access other housing services through the Dunston Activity Centre, online or at any other housing office.

Risk Management Implications

20. There is the risk of a reduction in rental income, however we will be working with customers to raise awareness of the alternative ways to pay their rent. Currently less than 14% of the Inner West tenants regularly make a rent payment at the DAC payment counter.

Financial Implications

21. There are no direct costs arising from this report but any future running and overhead costs will be subject to further discussions with the Council and Dunston Family Churches.

Equality and Diversity Implications

22. We will work with all customers to ensure they are able to access services they need. The outcome of the discussions will be subject to a further report to Customers and Communities committee.

Value for Money implications

23. The cost of paying rent at a payment counter is significantly higher than other methods such as Direct Debit, Post Office, Paypoint, Internet and touchtone. There will be a saving around transaction costs for payments.

Consultation

24. The Portfolio Holder for Housing and ward councillors for Dunston and Teams; Dunston Hill and Whickham East; Bridges; Whickham South and Sunnyside and Whickham North have been consulted on the transfer of DAC and changes to the payment counter service.
25. Ward Councillors raised no concerns on the recommendations and were happy with our approach to work with customers over the coming months on how to access services and alternative ways to pay rent.
26. As outlined in paragraph 15, we will engage with customers and stakeholders over the coming months to ensure that they are able to access payment and other customer services.
27. Consultation with the Councils Financial Services Team will be undertaken regarding the closure of the payment counter. Actions to minimise the impact on both rent and council tax income will be implemented to maximise revenue collection

28. The housing company employees working in Dunston and the trade unions have been updated on the proposals to close the payment counter. Any implications for employees will be the subject of further discussions with the trade unions.

Recommendation

29. The Board is asked to:

- note the recommendations of the Cabinet report;
- approve the customer information programme and agree to receive a further report on 19 November detailing next steps on the closure of the payment counter;
- note that any employee implications would be the subject of further discussions with the trade unions and a separate report to Resources committee.

TITLE OF REPORT: Update on the Transformational Challenge Review of Leisure Services and the Surplus Declaration and Proposed Community Asset Transfer: Gateshead Indoor Bowling Centre and Dunston Activity Centre

JOINT REPORT OF: Paul Dowling, Strategic Director Communities and Environment and Mike Barker, Strategic Director, Corporate Services and Governance

Purpose of the Report

1. To update Cabinet on progress of the Transformational Challenge Review of Leisure Services.
2. To seek approval to (i) Dunston Activity Centre and (ii) Gateshead Indoor Bowling Centre being declared surplus to the Council's requirements
3. To seek approval to proceed with a community asset transfer of Gateshead Indoor Bowling Centre to the Gateshead Indoor Bowling Association in accordance with the Council's Community Asset Transfer Policy.
4. To seek approval to proceed with a community asset transfer of Dunston Activity Centre to the Dunston Family Church in accordance with the Council's Community Asset Transfer Policy.
5. To provide an update on the progress regarding options for Whickham Thorns Outdoor Activity Centre.

Background

6. Cabinet approved the Transformational Challenge Review of Leisure Services at its meeting on 24th February 2015 (Minute No C160) which included the Council achieving a £120,000 saving by not providing a subsidy to the following properties:-
 - Gateshead Indoor Bowling Centre
 - Whickham Thorns Outdoor Activity Centre
 - Dunston Activity Centre
7. Cabinet agreed that this would result in either a community asset transfer, a partnership, acquisition by a private company or closure by 1 October 2015
8. Cabinet also agreed to:
 - Decrease the subsidy at Gateshead International Stadium by £100,000. This will be through reviewing and renegotiating partnership

arrangements with Gateshead FC, Gateshead College, Northumbria University, Gateshead Harriers

- £100,000 reduction in operational costs and £180,000 reduction by reviewing opening hours and changing shift patterns.
9. Cabinet also approved the Library Service review at its meeting on 24th February 2015 (Minute No. C161) which included the designation of Dunston library as part of a network of community and council libraries to be established. As the library is co-located within Dunston Activity Centre consideration has been given to the future delivery of the service from the property.
 10. As a consequence of the Cabinet decision the Council has received expressions of interest in respect of all three properties and options for the transfer or disposal have been considered.

Proposal

Update on the Transformational Challenge Review of Leisure Services a

11. Progress has been made in delivering the savings approved by Cabinet: operational changes at leisure facilities; additional income through increased charges; the likely transfer of the assets considered within this report; and changes to management of the service will deliver in-year savings of £300,000 and £600,000 in a full year.
12. Ongoing discussions with partners will deliver further savings from April 2016 and work commissioned on the pricing strategy for the service will yield additional income which will contribute towards the ongoing shortfall in income within the service.
13. Options analysis for the future delivery of the Leisure Service is being developed and will be subject to a further report to Cabinet later in the year in order to deliver the full approved saving of £950,000.

Update on progress towards Community Asset Transfer

14. Progress on Gateshead Indoor Bowling Centre, Whickham Thorns Outdoor Activity Centre and Dunston Activity Centres are set out below.

Gateshead Indoor Bowling Centre (GIBC)

15. The Council has received one expression of interest for the future management of the GIBC from the current user group 'Gateshead Indoor Bowls' and have been supporting the Group to become a constituted community organisation.
16. The benefits of the existing user group managing the facility will ensure a valuable community facility is maintained for over 400 older people. This will provide significant health benefits and well-being outcomes such as increased physical activity levels whilst promoting social inclusion.
17. The proposal of the Gateshead Indoor Bowling Club includes:
 - Changing the legal structure of the organisation to a Charitable Incorporated Organisation to position the club to manage a building.

- Continue to operate the facility (via the volunteer management committee) as an indoor bowling centre and therefore provide a valuable community activity for over 400 older people.
 - Retain the studio space to provide dance/fitness activities, and develop the centre to include more activities and the wider community;
 - Invest in the centre to improve sustainability.
18. It is proposed to transfer the building to the club upon receipt of their CIO status, which is anticipated to be November later this year. It is therefore proposed to grant a 'tenancy at will' from the 1st October to the club until the CIS status is complete and then formally transfer the asset via a lease agreement at this time.

Whickham Thorns Outdoor Activity Centre (WTOAC)

19. Due to the number of enquiries received in respect of WTOAC, it was considered appropriate to carry out a soft market test on the open market to determine the level of interest and proposals for the future management of the Centre. The closing date for expressions of interest was 14th August 2015. The Council has received 7 expressions of interest and will and the proposals are being considered.
20. The progress and future proposal for WTOAC will be the subject of a further report to Cabinet in December 2015.

Dunston Activity Centre (DAC)

21. Dunston Activity Centre provides a wide range of services and activities, including a sports hall for gymnastics and team sports, a small gym, bookable space for hire and accommodates the Dunston library, payment counter and housing office co-located within the property.
22. The Gateshead Housing Company (TGHC) currently operates a payment counter service and also provides housing management services from office space within the property.
23. The Council received expressions of interest for an asset transfer under the Community Asset Transfer Policy from the following organisations setting out how they would manage DAC in the future:
- Dunston Family Church (DFC)
 - Fighting All Cancers Together (FACT)
24. FACT has subsequently withdrawn their expression of interest.

Proposal

25. DFC has emphasised the intention to maintain existing services and activities, in particular, the continuation of the gymnastics classes and continuing provision for the library service (volunteer run). There is a clear focus on community, community activity and providing services which meet local community need.
26. As the main aim of a community asset transfer is to create the widest public value the business plan has been assessed with reference to the following:
- Contribution to Vision 2030

- Evidence of community need and support for the proposed use of the property
 - Evidence of broad community benefit and impact
 - Improvements to safeguarding or creation of local services and activities that do not duplicate existing services in the community
 - Robust business plans demonstrating financial viability
 - Management and governance capacity to manage a building
 - Supporting co-location for service providers
27. DFC is a registered charity and there is great merit in the expression of interest. DFC has submitted a business plan for the management of DAC, which together with its financial accounts demonstrates that it has sufficient capacity to manage and operate the property. DFC has adequately described its governance arrangements and is therefore able to enter into a lease with the Council. DFC has indicated that it would wish to continue to accommodate the existing community activity, support the development of a community library (volunteer run) and accommodate the Gateshead Housing Company within the Centre.
28. It is considered, therefore, that the proposal from the Dunston Family Church would deliver a good range of community services that would respond to local need.
29. Following the asset transfer of Dunston Activity Centre and in line with the Council's Customer Contact strategy, it is proposed that there will be no payment counter within the building. TGHC will continue to provide a customer focused housing service from the centre.
30. Adopting this strategy will enable the Council to continue to deliver services at a reduced cost and contribute to the effective management of resources.
31. The change in the provision of TGHC services in DAC will be the subject of a future report to the Housing Company Board. The report will consider the consultation programme required with tenants and stakeholders focusing on access to services. Appendix 1 contains further details on payment arrangements and the transaction analysis for Dunston Activity Centre compared to other centres.

Recommendation

32. It is recommended that Cabinet:-
- (i) Note the progress on the Transformational Challenge Review of Leisure Services.
 - (ii) Declare The Gateshead Indoor Bowling Centre and Dunston Activity Centre surplus to requirements;
 - (iii) Authorise the Strategic Director, Corporate Services and Governance to dispose of The Gateshead Indoor Bowling Centre and Dunston Activity Centre to the Gateshead Indoor Bowling Association and Dunston Family Church respectively in accordance with the Council's Community Asset Transfer Policy, for an implementation date of 1 November 2015;
 - (iv) End the provision of payment counter services provided from Dunston Activity Centre
 - (v) Receive a further report regarding the future of Whickham Thorns Outdoor Activity Centre in December 2015, for implementation on 1 April 2016.

for the following reason(s)

- (i) To manage the Council's assets in line with the Corporate Asset Strategy and Management Plan 2015 – 2020;
- (ii) To ensure delivery of cost savings identified by the withdrawal of the subsidy approved by Cabinet at its meeting on 24th February 2015 (Minute No C160);
- (iii) To safeguard the continuation of existing services and to provide the opportunity for greater sustainability of community activities which contribute to the Council's priorities within the context of reduced resources.

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APPENDIX 1:

Policy Context

30. The proposed surplus declarations and subsequent grant of leases pursuant to the Council's Community Asset Transfer policy supports the overall vision for Gateshead as set out in Vision 2030 and the Council Plan. In particular sustaining an Active and Healthy Gateshead and creating capacity through volunteering and community cohesion.
31. The proposed declarations will also accord with the provisions of the update of the Corporate Asset Strategy and Management Plan 2015 – 2020. In particular, the rationalisation of the estate through the disposal of an uneconomic asset.

Background

Gateshead Indoor Bowling Centre

32. The property known as the Gateshead Indoor Bowling Centre (TGIBC), which is shown edged black on the attached plan (1), is currently held by the Council pursuant to section 120(1) (a) of the Local Government Act 1972.
33. The Council has provided support and advice to the existing user group to prepare a business plan. They are currently in the process of forming a properly constituted group and are to apply to become a Charitable Incorporated Organisation which will enable them to access funding to assist with the better management of the property.
34. A community asset transfer of the property to the Gateshead Indoor Bowling Association will provide a continuation of a bowls service to over 400 older people which provides significant health benefits and promotes community and social inclusion.
35. There is also first floor studio space within the property which will contribute to the sustainability of the building as it can be let out to organisations for the delivery of a various community activities and projects.

Dunston Activity Centre

36. The property known as Dunston Activity Centre, which is shown edged black on the attached plan (2), is currently held by the Council pursuant to section 120(1)(a) of the Local Government Act 1972.
37. Dunston Activity Centre provides a wide range of sporting activities, including a wide variety of sporting activities from the sports hall, a small gym providing rehabilitation facilities for recovery of heart and stroke patients, as well as bookable space for hire. Dunston Library operates from the property and the Gateshead Housing Company occupy office accommodation and manage a cash counter from the Centre.
38. At its meeting on 24th February 2015, Cabinet approved the Transformational Challenge Review of Leisure Services (Minute No. C160). Dunston Activity Centre was one of three properties identified as a cost saving by the withdrawal of the subsidy and alternative options for the running of the building had to be explored.
39. The Gateshead Housing Company (TGHC) currently operate a payment counter and provide housing management services from the building.

40. In line with the Councils Customer Contact strategy, it is proposed that there will be no payment counter within the building. There are a range of other payment options available including options in Dunston and the wider neighbourhood that enables residents to pay rent and council tax. In addition a number of self service options are available on-line and over the telephone, enabling payments to be made 24/7.
41. Adopting this strategy will enable the Council to continue to deliver services at a reduced cost and contribute to the effective management of resources.
42. The recommendation to end the provision of payment counter services will be the subject of a report to TGHC Board that will set out the consultation and communication programme for ending payment counter services from the building.
43. The table below shows the numbers of transactions in 2014/15 where TGHC provide a payment counter. Dunston Activity Centre takes the least number of payments of all the offices.

	Blaydon	Civic Centre	Dunston	Birtley	Leam Lane
Housing rents	34,847	58,172	13,088	16,787	40,992
Council Tax	26,807	47,715	9,751	9,865	20,128
Total	55,654	105,887	22,839	26,652	61,120
Total transactions of all payment types (including above)	58,907	136,545	23,758	28,989	63,589

44. TGHC manage 3642 tenancies in the Inner West neighbourhood and the analysis for 2014/15 shows tenants preferred payment methods. In summary only 28.42% of tenants pay their rent at a payment counter with 71.58% of tenants paying through a range of other ways. Business monitoring by TGHC demonstrates that there is low footfall of customers accessing the housing service in Dunston Activity Centre. Customers contact the centre mainly by telephone. Of those customers who do visit the office, the majority do so as a result of pre-arranged appointments.
45. An Expression of Interest has been received from Dunston Family Church (DFC). DFC has emphasised the desire to maintain the main sporting activities, particularly the gymnastics classes and the provision of a volunteer library service

Proposal

46. It is proposed that the GIBC and DAC be declared surplus to the Council's requirements.
47. It is proposed that a lease be granted to the Gateshead Indoor Bowling Association for the Indoor Bowling Centre and with DFC for Dunston Activity Centre at nil consideration pursuant to the Council's Community Asset Transfer policy.

48. The proposed asset transfers represents less than best consideration. The Local Government Act 1972: General Consents (England) 2003 gives consent to sell at an undervalue where the local authority considers that the purpose for which the property is to be disposed is likely to contribute to the achievement of any or more of the following objects in respect of whole or part of the area, or all or any persons resident on its area

- (i) The promotion or improvement of economic well-being
- (ii) The promotion or improvement of social well-being
- (iii) The promotion or improvement of environmental well-being

In addition the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal must not exceed £2,000,000 (two million pounds). As the Asset Transfer will promote social well-being and the undervalue is less than £2,000,000 it is therefore covered by the General Consent.

Consultation

49. The Leader of the Council, Deputy Leader of the Council, Cabinet Member for Communities and Volunteering, Cabinet Member for Culture, Sport and Leisure have been consulted on this report. Ward Councillors for Dunston & Teams, Dunston Hill & Whickham East and Bridges wards have also been consulted on this report. All councillors who have been consulted are supportive of this proposal.

Alternative Options

50. The option of retaining the properties has been discounted they have been identified for withdrawal of subsidy to realise a saving to the Council. The option of disposing of the properties, or demolishing the properties and disposing of a cleared site, on the open market has also been discounted as both GIBC & DAC have been identified as suitable for a community asset transfer.

Implications of Recommended Option

51. Resources:

- a) Financial Implications** - The Strategic Director, Corporate Resources confirms that the disposal of the properties pursuant to the Council's Community Asset Transfer policy will generate a revenue saving for the Council which will contribute towards delivering the approved revenue budget.
- b) Human Resources Implications** – The proposed disposal of the properties will result in staffing implications. Consultations with staff and the trade unions are on-going and all employees are being successfully redeployed to other services within the Council.
- c) Property Implications** - The disposal of these properties will result in a reduction in the Council's overall property portfolio thus reducing operational costs.

52. Risk Management Implication – There are no implications arising from this recommendation.

- 53. Equality and Diversity Implications** – Comprehensive Impact Assessments have been undertaken in relation to the disposal of Dunston Activity Centre. The assessment demonstrates that the disposal will widen access to many of the identified groups.
- 54. Crime and Disorder Implications** - The disposal of the properties will remove the opportunities for crime and disorder, especially vandalism and theft.
- 55. Health Implications** - These are included in the Comprehensive Impact Assessments.
- 56. Sustainability Implications** - The disposal of these properties will reduce the level of the Council's operational costs, especially gas and electricity use, which will subsequently result in a reduction in the Council's carbon footprint.
- 57. Human Rights Implications** - These will be included in the Comprehensive Impact Assessment.
- 58. Ward Implications** - Dunston and Teams; Dunston Hill and Whickham East; Bridges; Whickham South and Sunnside and Whickham North..
- 59. Background Information** – Minute Nos. C160 & C161 (2015)

Payment transactions for all housing offices

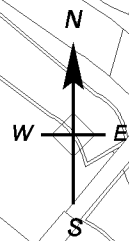
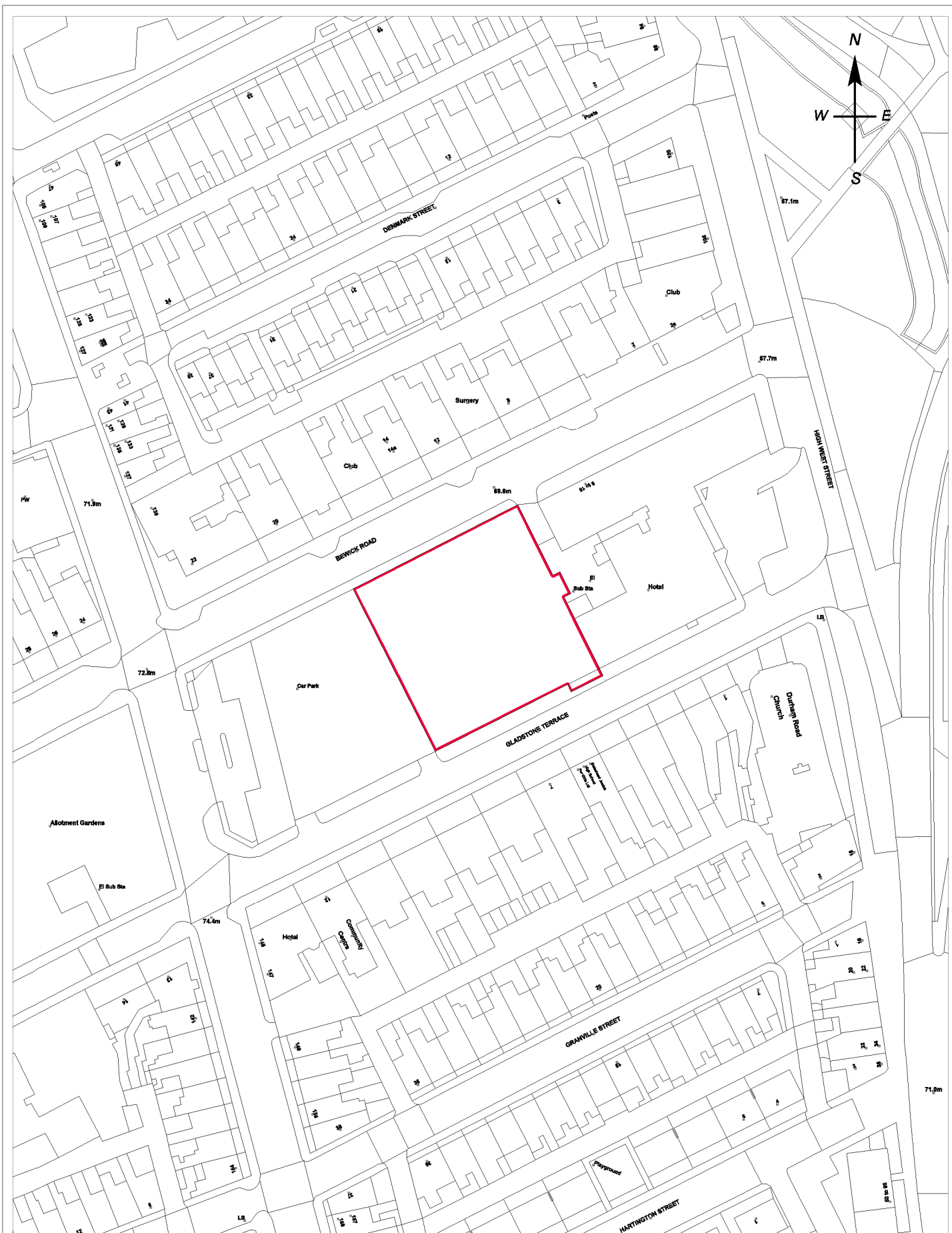
The table below shows that Dunston takes the least number of payment transactions out of all offices


	Blaydon	Civic Centre	Dunston	Birtley	Leam Lane	Wrekenton
Housing rents	34,847	58,172	13,088	16,787	40,992	33,308
Council Tax	26,807	47,715	9,751	9,865	20,128	14,620
Total	55,654	105,887	22,839	26,652	61,120	47,928
Total transactions of all payment types (including above)	58,907	136,545	23,758	28,989	63,589	49,251

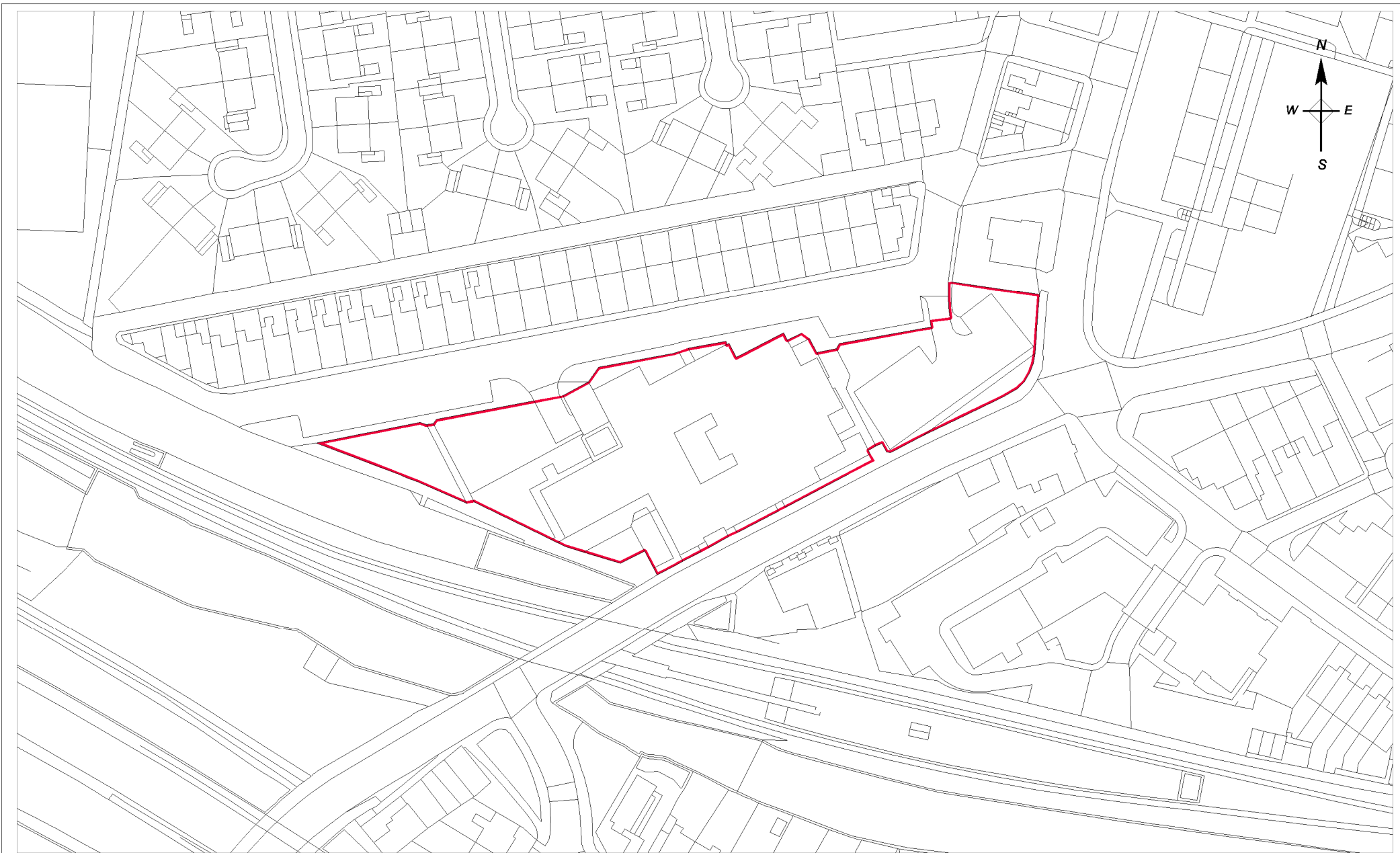
Inner West Rent Payment methods

The table below shows how the 3642 tenants in the neighbourhood currently pay their rent. DAC takes the least number of payments of all the housing offices. Of the 3,642 tenancies in the Inner West neighbourhood, only 28.42% of tenants paid their rent at a payment counter in 2014/15, with nearly 14% of these paying at DAC. Effectively 71.58% of tenants are already paying their rent through a range of other ways.

Payment Method	No of Tenancies	% of tenancies paying at office	% of Total Tenancies in Inner West (3,642)
OFFICES			
CIVIC CENTRE	379	36.62%	10.41%
BLAYDON	140	13.53%	3.84%
DUNSTON	509	49.18%	13.98%
BIRTLEY	2	0.19%	0.05%
WREKENTON	3	0.29%	0.08%
LEAM LANE	2	0.19%	0.05%
All Offices	1,035	100.00%	28.42%
DIRECT DEBIT	795		21.83%
STANDING ORDER	141		3.87%
INTERNET / TOUCHTONE	320		8.79%
PAYE.net	198		5.44%
POST OFFICE	626		17.19%
PAYPOINT	459		12.60%
SALARY DEDUCTION	13		0.36%
OTHER	55		1.51%
Total	3,642		100.00%



Title Plan 1 Indoor Bowling Centre, Gladstone Terrace, Gateshead			<small>© Crown Copyright and database rights 2011. Ordnance Survey license number 100019132.</small>		 www.gateshead.gov.uk
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			Date Printed 10th August 2010	O/S NUMBER NZ2562SE	<small>Legal, Democratic and Property Services Corporate Services and Governance Gateshead Council</small>



Title
Plan 2
Land at Dunston Activity Centre

Scale
1 : 1250

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2nd March 2015

Drawn By
M Hawkyard

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 Gateshead Council