

Cabinet – 19 March 2014

Darlaston Community Association Sports and Social Recreation Ground

Portfolio: Councillor Shires, Community Engagement and Voluntary Sector

Related portfolios: Leisure and Culture, Regeneration

Service: Communities and Partnerships, Property Services, Clean and Green Services

Wards: Darlaston South

Key decision: No

Forward plan: No

1 Summary of report

- 1.1 The report sets out the opportunities for the Council to consider the future of the Darlaston Community Association Sports and Social Recreation Ground (known locally as 'Darlaston Rec') which is a Council owned asset managed under lease through Darlaston Community Association Limited (DCA)
- 1.2 The facility is currently underutilised and requires investment to bring it up to the standard necessary for local residents to access services and activities. The local area has traditionally suffered with high levels of unemployment, health inequality and educational attainment.

2 Recommendation

- 2.1 Cabinet is asked to determine whether it wishes to support the request for investment from Darlaston Community Association, as set out in section 3.2 below, noting that any such investment would be subject to the Cabinet receiving a robust business plan, as previously agreed with the Trustees.

3 Report Detail

3.1 Context

- 3.1.1 Darlaston Rec is located in Hall Street, Rough Hay and is a Council owned asset managed under lease through Darlaston Community Association Limited (DCA),

with the lease due to expire in September 2017. No rent is paid to the Council for the recreation ground and the lease is held on a peppercorn rent.

- 3.1.2 The site comprises of approximately seven acres and provides a full size football pitch, full size synthetic football pitch, secured bowling green area (not currently maintained), a building providing large function room and bar, separate bar area, kitchen area and cellar, changing rooms, toilet facilities and several office and storage areas and two car parks. The site is fully secured but has suffered from some historical incidents of minor arson and vandalism.
- 3.1.3 DCA has informed Council officers that income from the site is primarily from football pitch hire, some function room hire and use of the bar area a few evenings each week.
- 3.1.5 In October 2013, Council officers were informed that DCA had called a meeting where most of the existing Board of Directors were replaced with new Board members. The changes in board membership took effect in December 2013. Representatives of the new Board have subsequently met with officers to identify how the organisation can progress in respect of building and ground improvements and support to deliver a new business plan that offers more activities at the venue.
- 3.1.6 DCA has, until recently, had responsibility for operating Catherine's Cross Nursery in Darlaston, forfeited the lease in November 2013 on grounds of non-payment of rent. They also had their license for operating a nursery withdrawn by Ofsted following an inspection.

3.2 Improvement Proposals

- 3.2.1 DCA has a full repairing lease for the premises but has not fulfilled its obligations in this regard. As a result the building and the grounds need investment to bring them up to an acceptable standard. The estimated costs have been prepared for a range of improvement works to the building and grounds to ensure the premises are fit for purpose.
- 3.2.2 A breakdown of what are regarded as essential works to the property, excluding grounds maintenance, is as follows. This amounts to a total cost of **£255,750**:

• Asbestos strip of boiler room	£15,000
• Full rewire	£60,000
• Hot and cold water upgrade	£50,000
• New gas supply and heating upgrade	£50,000
• Kitchen upgrade	£10,000
• Tarmac pathway resurfacing	£15,000
• Window and door replacement	£25,000
• DDA Toilet refurbish	£3,000
• Resurfacing to driveway	£2,000
• Asbestos survey	£1,000
• Construction Design Management	£1,500
• Property Services Fees (10%)	£23,250

3.2.3 In addition to the above, DCA has requested that the following additional work they consider desirable be completed. The total estimated cost of these additional works is **£73,000**:

• Replacement flooring	£10,000
• Toilet/shower refurbishment	£30,000
• Internal decoration	£3,000
• Resurfacing of drive and car park	£30,000

3.2.4 Reinstatement works to the bowling green and other grounds maintenance improvements total **£32,445** and are broken down as follows:

• Cut back hedges	£1,170
• Prune shrubs	£2,925
• Bowling green renovations	£9,000
• Bowling green edging boards and sand	£2,000
• Tree survey and required maintenance	£5,850
• Replace or refurbish existing benches	£5,000
• Supply and install ten litter bins	£3,500
• Replace/repaint posts and rails	£3,000

3.2.5 In addition to the above the annual costs of grounds maintenance, once the above improvements have been made, would be **£14,400**. DCA are preparing a business plan at the moment (see below) so it is not known whether future income levels within the organisation could sustain the level of maintenance required for maintenance of the building and grounds. However DCA has requested that the council fund the annual maintenance costs of the grounds.

3.2.6 All of the above works are initial estimates and would be subject to competitive tendering processes.

3.2.7 As part of Walsall Council Green Space Strategy (2012-17), a quality audit of all open space provision, including facilities, buildings, parks and outdoor sports facilities was made within each of the six Area Partnerships. Overall scores demonstrated that Darlaston/Bentley partnership area performed least well with an average of 30 against the Borough average of 39 – suggesting the desirability of retaining open space provision in this area.

3.3 DCA Business Planning

3.3.1 Following the formation of a new Board of Directors at DCA, a request has been made to the Council to support the new Board, staff and volunteers in developing a business plan for Darlaston Rec that would see increased opportunities to attract external grant funding and deliver new initiatives and activities for the local community. There has been an initial discussion on this but it is clear there is some way to go before DCA has a viable business plan that would justify the level of investment referred to above.

- 3.3.2 The existing lease is due to expire in September 2017, which prevents DCA accessing a range of external grant funding. DCA has asked the council to consider offering them a new full repairing lease. As matters stand DCA has security of tenure under the Landlord and Tenant Act 1954 and can apply to the court in the year preceding lease expiry for a lease renewal for a term of up to 15 years. An early surrender and renewal of the lease would only be recommended by officers on completion of a viable business plan and if necessary to support any external funding organisation.
- 3.3.3 At present the Council supports eight existing community associations that function within Council buildings with a building management budget. This provides each organisation with an annual budget of **£10,000** to fulfil health and safety requirements including legionella testing and gas and electric safety testing, DCA have asked whether there is scope to receive similar funding in line with the building management budget and requirements. DCA has not received this funding previously because it has a full repairing lease. Payment to other organisations recognises that they do have full repairing leases and are undertaking premises related duties that would otherwise fall on the council.
- 3.4.4 In line with support and resources provided to other organisations and the granting of service level agreements, DCA would need to provide a robust business plan that details not only their future financial viability but also provides assurances on how they intend to support local community outcomes and meet other obligations in terms of their full repairing lease.

4 Council Priorities

- 4.1 The proposed approach offers the potential to make a contribution towards the council's priorities of:
- **Supporting business to thrive and supporting local people into work** – the Rough Hay area is one that experiences high levels of local unemployment and improved local community facilities could provide opportunities for local training and support providers to provide targeted outreach services.
 - **Improving health including well-being and independence for older people** – Darlaston Rec is a venue that could contribute significantly to an increase in the provision of physical activities and community driven initiatives. The community has high levels of health inequality.
 - **Creating safe, sustainable and inclusive communities** – an increase in use and opportunities at Darlaston Rec would begin to develop its role as a focal point for community activity.
 - **Improving safeguarding, learning and the life chances for children and young people** – improvements to the facilities could benefit local children and families.
- 4.2 The opportunities to support additional resources for Darlaston Rec supports the Marmot Principles through the following activity:

- Give every child the best start in life – opportunities, with schools and Children’s Centre to provide activities for families and children.
- Enable all children, young people and adults to maximise their capabilities and have control over their lives – linked to increased opportunities for community and partner driven activities and services at the venue.
- Create fair employment and good work for all – an opportunity to deliver ‘outreach’ events and activities around access to local jobs and training.
- Ensure a healthy standard of living for all – through improved facilities to the sports ground and building and increased accessibility.
- Create and develop healthy and sustainable communities – DCA have the opportunity to be an integral part in shaping and delivering local activities to support opportunities for the local Rough Hay community.
- Strengthen the role and impact of ill-health prevention – as above.

5 Risk Management

- 5.1 There is a risk that, despite the Council’s investment and improvements to Darlaston Rec, DCA’s Directors/Trustees will be unable to implement a viable business plan. DCA has traded at a loss for several years and the latest set of company accounts, whilst showing a marginal improvement on the previous year, still show a precarious financial position.
- 5.2 All but one of the board members were appointed in December 2013 so have very little track record of governance of the Community Association (CA). Council officers understand that the management of the CA has not changed. Potentially this counterbalances the inexperience of the board, but on the other hand the council would need to have confidence that this management, who failed to maintain the building under the terms of the current lease, was able to turn the organisation into a community and a financial success.
- 5.4 These risks can be mitigated by close monitoring of the use and management of the site by Council officers.
- 5.5 In addition there is a risk that the council would set a precedent, thereby encouraging other community associations to request similar financial support. Other organisations with full repairing leases may also make similar claims.

6 Financial

In summary the funding requested is:

	£
• One-off necessary expenditure to the building	255,750
• One off expenditure on other desirable improvements	73,000
• One-off reinstatement and improvement works to the grounds	32,445
Total one-off expenditure	361,195
• Ongoing maintenance of grounds	14,400
• Ongoing funding for building management activities (already covered in the lease)	10,000
Total ongoing expenditure	24,400

There are no budgets available for this expenditure.

7 Legal

Legal Services and Asset Management have been involved in the reviewing of the existing lease at Darlaston Rec and would be involved in the negotiation of the terms of any new lease

8 Property Implications

The proposed investment could be made on a 'without prejudice' basis, notwithstanding the terms of the lease between the Council and DCA. On completion of the works DCA would remain responsible for future maintenance and upkeep of Darlaston Rec.

9 Staffing Implications

Active monitoring of the future use and management of Darlaston Rec can be achieved within existing staff resources but will require the reallocation of those resources from other priorities. This could impact upon the Asset Management team's ability to progress other work.

10 Equalities Implications

If DCA were to become a successful and locally responsive community based organisation, it would be well placed to engage with the wider community in Rough Hay and traditionally hard-to-reach groups and take a lead in supporting and developing local services.

11 Consultation

DCA would be encouraged to specify, in its business plan, how it intends to engage and consult with the local community in Rough Hay.

Background Papers

None

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