

STANLEY TOWN COUNCIL



Stanley Council Offices

Prepared for: Full Council, 20th December 2016

Prepared by: Alan Shaw

7th December 2016

DETAILS OF PURCHASER

Stanley Town Council, Civic Hall, Front Street, Stanley DH9 0NA.

CONTACT DETAILS

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AMOUNT OF OFFER

£TBA*

*Please see “the offer” on page 10 of this submission.

FUNDING INFORMATION

The initial purchase of the building and some working capital to commence building refurbishment to compliance with DDA and other relevant workplace standards would be met with a loan through the Public Works Loan Board. Further funding would be through a range of external funders, using the initial capital as match funding, in connection with the Town Council’s partner organisations. See **Governance** below and the outline medium term plan for more information.

INTRODUCTION

This bid has been prepared in support of the Town Council’s decision taken at the Ordinary Council Meeting held on 18th October 2016 to seek to secure the freehold interest in the former Stanley Urban District Council Offices from Durham County Council. (*Minute #173 of 2016/17 refers*)

BACKGROUND

The building was constructed in 1911 by the original Stanley Urban District Council as a Town Hall. The building remained the focal point for Council services in Stanley through successive local government reorganisations in 1937, 1974 and 2009 and remained in use for that purpose until May this year.

The building ceased to be the primary offices of the local principal authority in 1974 upon the creation of Derwentside Council and its importance lessened further following the abolition of District Councils in 2009.

The building became surplus to the County Council's requirements in 2011 following the decision of Durham County Council to co-locate all its local provision for the Stanley area in new offices within the Louisa Centre.

Stanley Town Council has explored the takeover of the building before, in 2011 and was reasonably advanced in discussions towards the transfer of the building to the Town Council under a local asset transfer. The Town Council stopped actively pursuing this when it became clear that the Civic Hall was at risk of closure and the Town Council moved to secure the future of the Civic Hall instead.

When the building was declared surplus to the County Council's requirements in January 2016, the Town Council immediately expressed an interest and has had an ongoing dialogue with the County Council to attempt to secure the building, initially under an asset transfer (which was dismissed because the process takes too long and the building is unoccupied) and then by seeking to purchase the freehold interest in the building direct from the County Council.

The County Council's decision to offer the building to the open market rather than support the Town Council's proposal was discouraging for the Council.

LOCAL CONTEXT

The Town Council's ambition is to secure the Council Offices as a focal point for civic life in Stanley now the County Council has vacated them. This is the role the building was designed for and has fulfilled for more than a century. The building is unique within the context of the Stanley Front Street as the only significant public building in the street scene.

It is one of only two Grade 2 listed buildings which remain in the Front Street following a catastrophic series of fires which resulted in the loss of some of the town centre's most prominent buildings. The street scene has further been blighted by a number of prominent empty buildings for a number of years, notably the former Board School immediately next door to the Council offices which has become a magnet for vandalism and the former Bertie's site next to the site of the former Co-op building. The collapse of the retail sector in the recession of 2009 was also a major factor in the current position the town centre is in.

Durham County Council has invested in the built environment through shopfront improvement schemes led by the local AAP and the Town Council and the County Council regeneration department have jointly

invested significant sums in the public realm in Front Street since 2009. The Town Council's contribution alone has amounted to £400,000.

PACT House

Stanley Town Council has in the last year helped pioneer a new approach to regeneration in Stanley. The Council, working initially with Durham Constabulary, secured the lease on the former Lloyds Bank building two doors from the Council Offices. The enabling power of the Town Council has led to local third sector providers coming together to form a new Community Interest Company to manage the building and provide services aimed providing youth provision, tackling social isolation, supporting hardship, providing employability training and community fundraising as well as support for mental health issues. A range of other local groups and a small army of volunteers have come together and between them have secured the funding to refurbish and run the building and have taken a semi-derelict building and turned it into a third sector social support hub helping some of the most vulnerable people in the area.

Stanley Advice Centre

This model is one which has been repeated in Stanley. Separate charities, Council services and even private companies have come together to form a joined up advice service five days a week in another former Durham County Council building which has been transferred to the Community at the Venue in Stanley, funded by the Town Council and the County Council in partnership and delivered by the third sector.

THE BUSINESS MODEL

In the current climate, the old delivery model of discretionary services being provided by Principal authorities or large pots of County Council money being set aside for community interest groups to bid for are effectively at an end. The Parish Council sector has some capacity to plug some of the gaps being vacated by the County Council, but cannot possibly raise enough income through a local precept to duplicate the provision of the County Council as a funder.

It is clear to the Town Council that it could not seek to fully occupy the building on its own as it is a large building. The Council is adamant that the building must be occupied as fully as possible providing a wide range of publicly accessible services. Therefore the Town Council has sought partners to work with it to occupy the building, keep it providing services that have meaning and add value to the local community and refurbish it to a standard that will deliver a building the Town will be proud of.

The Council has had discussions with some established local third sector providers who have indicated that they would like to partner with the Town Council to deliver a refurbished Town Hall with purpose to the residents of Stanley.

An annotated floor plan has been provided as **APPENDIX B**

Just for Women - Basement level

Just for Women is an established local charity provider that provides support for vulnerable women, women with mental health issues and takes referrals from a number of statutory providers across County Durham and has contracts to provide services in a number of locations around the County. They also provide CREE services for men and women. Their business plan is attached as **APPENDIX A**. The charity is well run, well funded and has the ability to lever in capital funding because it's objectives and outcomes match the funding criteria of a large number of funders. The Just for Women centre currently occupies space which is far too small and holding its programme back and is looking for new premises. Just for Women have expressed an interest in taking a lease on the full basement level of the building which has DDA compliant access to the rear and have indicated that they could raise their own capital funding, local donations in kind from trades and volunteer workforce to refurbish the building.

SHAID (Single Homeless Action in Durham) - Second Floor

SHAID are another well respected local third sector provider working with single men, women and ex-servicemen in difficulty, helping to provide housing, employability training and other support across the County, based in Stanley. They currently occupy offices rented on the open market with a lease due to expire in the near future. They have expressed an interest in partnering with the Town Council to rent office accommodation with a secure tenure and provide consultation rooms to meet clients.

Public Exhibition Space/ Heritage Exhibition Space - Ground Floor

The Town Council would use the larger part of the ground floor of the building as a public exhibition space. The intention would be to work with local museums, galleries, historians and enthusiasts to bring new exhibitions and displays to the building on a regular basis. The Council would build links with local schools, Tourist Information, Arts organisations to promote the exhibitions and seek to increase footfall in the town centre by providing a leisure destination which would be worth visiting regularly. The exhibition space would be free to access but donations would be invited from visitors. This dovetails with an existing ambition of the Town Council to build a local history archive resource for local people and schools to access. The exhibition space would help to support and be supporting an adjacent retail space operated by:

Just for Women Centre - Retail area - Ground Floor

The Just for Women centre retails the goods that are crafted by the project through retail outlets at present, the space marked on the plan would be utilised as a retail space for their goods and other gift items and perhaps a small coffee bar for visitors to the building to get some light refreshment.

Stanley Town Council - First Floor

The Town Council would house its staff on the First Floor in the old AAP Office and the adjacent room. The old AAP Meeting Room would continue as a meeting room and could also be utilised by the partner organisations sharing the building, or to extend the exhibition space if required for certain events. The Council Chamber would be returned to its original use but could also be made available for spot hire for training or seminar use and potentially as a licensed wedding venue for civil services as the building is very attractive for photographs and will after restoration look lovely as a backdrop for wedding pictures. The nature of the building would add gravitas as a wedding venue as it has the feel of an important Civic Building.

Public Toilets

In the medium term, the public toilets would be brought back into use to make a create a unique offer for Stanley: public toilets. There at present none in the town, or in the whole of County Durham and this would be a valuable addition to the town particularly on market days.

Additional Office Accommodation

The office accommodation on the second floor of the building is very flexible and could be subdivided into a number of small business units in a number of ways. There would be available space on this level which would be offered to startups at an inclusive competitive rate or to other third sector partners who may come in on the project with the Town Council as it develops.

There is demand for alternative education spaces in Stanley for children who are unable to attend mainstream schools and some of the office space on the second floor could be adapted well to this use. Derwentside college also reach out to Stanley and could use spaces adapted in this way.

GOVERNANCE

The Town Council is a Parish Council created by Statutory Instrument. It is a local authority with perpetual succession which has the power to raise revenue through a local precept. The Council has the power to employ staff to manage its affairs on its behalf and has staff capacity to ensure that the building is properly managed. Inevitably some facilities management capacity would need to be employed to clean and service the building and for care taking duties.

Governance Model for the Town Hall

Whilst the initial sale of the building would be to the Town Council, the Town Council would quickly establish a charitable trust to manage the building, which I will refer to as the 'Town Hall Trust'.

There are a number of reasons for establishing a trust to manage the building:

- I. As a charitable organisation, the Town Hall Trust would qualify for rate relief

2. The Trust would be in a position to collect rents from the partners (including the Town Council) to offset the running costs of the building.
3. Spot hire of meeting rooms and the sale of gifts/ merchandise from the exhibition space would be additional income for the trust to help offset expenditure.
4. The Trust would be able to fundraise from other funders, charitable trusts and the HLF to lever in capital for the refurbishment of the building, using capital provided by the Town Council as match funding.
5. Whilst the Trust would initially be established with the Council as sole trustee, once leases were in place for the partners, their representatives would be invited to join a number of Town Council appointed representatives on the board. Council reps would be appointed for the full term of the Town Council at the first AGM following each election. This would ensure there was a small, focused group leading the development and management of the building and would provide continuity to ensure that the Town Hall was not affected unduly from short term political pressures and issues.
6. The Trust would insulate the Town Hall from any future changes in local governance. The building would continue to be an asset for the benefit of Stanley even if the Town Council was abolished or its legal powers were altered by statute.
7. This model would allow the partner organisations to bring their resources in terms of volunteer power and community buy-in and allow decision making to be made without the requirement to debate each decision at Council, once the aims of the Town Hall Trust were established.
8. It would allow the Town Council to focus on other projects rather than managing a portfolio of buildings once the initial phase was complete.
9. The example of PACT House and the Venue are clear illustrations of what can be achieved when Councils, third sector providers and the community come together to deliver a project. High quality, personal and local services can be delivered for a fraction of the cost that a principal or town council could deliver them in house. They have the ability to be flexible, make quick decisions and address needs as they arise. The support of the Town Council to anchor the project and bring professional resources and capital to the table is the key to unlock a huge social benefit to the town which the residents are engaged with and will support.

Market Analysis

The building is a prestige building in a location that is not at present able to attract a prestige market. The building would be suitable for offices for a large law firm or similar but there is not the demand in the local area.

Selling the building for conversion into residential accommodation is risky because again whilst it would make a number of high end units of flatted accommodation, the location and the local market would not support that. Division of the building into smaller units would have an unacceptable impact on the character features of the building.

There are clear risks selling the building to a property developer. The neighbouring board school is a clear illustration of the dangers of this approach. An attractive and imposing building stands empty and its condition gets increasingly worse. There is real risk that the same thing could happen to the Council Offices. The Town Council's proposal will ensure that the building is protected and refurbished for Stanley.

Competition

There is no direct competition for the mix that the Town Council is proposing. Whilst there are other buildings in the vicinity which would hire room space, the space in the Town Hall would be a high quality, restored Edwardian Council chamber and setting which would not have a direct impact on premises like the Venue, which is a community centre, or the Civic Hall, which has hireable spaces but is aimed at a different market segment.

The spot hire of rooms would not be the core business of the Town Hall in any case. It would be an operational space for the Town Council and its partners (and tenants) and a cultural leisure space aimed at a completely different audience to the Civic Hall, which is a live entertainment venue not a gallery/ museum/ resource centre. There is no comparable space in the Stanley area and it would improve the social and cultural offer of the town.

Regeneration

The Town Council conducted a survey of residents in February and March 2016. 500 people completed the questionnaire, which from a population of around 30,000 people is a statistically significant sample with far more weight than any poll. When asked what they wanted to see happen in Stanley, the regeneration of Front Street was the top answer in the questionnaire.

The Town Council has been an active partner in the regeneration of Front Street. It has contributed £400,000 to the County Council's public realm initiatives. It has supported the PACT House in its refurbishment of another prominent building in the street. It has delivered community events on the street to pull in footfall which have been well received by residents.

Bringing the Council Offices back into use and refurbishing them to a high standard whilst enabling and empowering other organisations in Stanley is a project that will help to drive regeneration in the rest of the street. Delivery of this project will also be supporting the County Council in achieving its own strategic aims.

Pricing

The Town Council could secure enough rental income to cover the running costs of the building. The large spaces would be rented at a rate near to but below market rates for partners and at market rates minus overheads for startups and SMEs.

The hire of spaces for training and events would be based on market rates for a good quality venue, offering value for money for users at a higher rate than is achievable in the Civic Hall for differentiation.

MEDIUM TERM PLAN

Upon acquisition, the Town Council would immediately implement a plan to move the project to refurbish the building to a point where occupancy was possible. It is key that the building does not remain unoccupied in for any longer than is absolutely necessary. A draft action plan for the first six months is included below.

Timeline	Actions
First Month	Instruct solicitors. Liaise with partners and agree timescales for occupancy, schedules of requirements in terms of works and timelines. Meet conservation and DC officer to discuss plans. Appoint agent to draw up application. PWLB Application Commission building surveys Interview building contractors, electricians, roofers, glazers, take references and establish schedules of rates. Obtain quotes from lift manufacturers Cleaning and removal of items not required.

Timeline	Actions
Second Month	<p>Submit Planning for changes of use and any internal works necessary</p> <p>Minor works to office spaces and Council chamber, paint, carpets, IT infrastructure etc</p> <p>Minor works in retail space</p> <p>Preparation for internal works in basement</p> <p>PWLB funding approval.</p> <p>Complete sale</p>
Third month	<p>Obtain planning consent for internal and external works and change of use</p> <p>Instruct contractors for phase 1 works: DDA compliance (including lift)</p>
Fourth Month	<p>First Phase works delivery. Cosmetic work, DDA compliance, Building Management compliance. Works in basement commence</p>
Fifth month	<p>Relocate Town Council offices into the building and begin decant of partners</p>
Sixth month	<p>Official re-opening of building</p>

BUILDING MANAGEMENT

Compliance

STC currently maintains a service level agreement with DCC for compliance matters in the Civic Hall and would therefore have access to expertise to support it in maintaining the required standards.

The Council holds £10,000,000 public liability insurance with Zurich Municipal and would add the building to its insurance policy. This would result in an increase in premiums but this would not be an issue for the Council as the premiums are currently very low.

The Council employs staff who are trained to carry out risk assessments and would review and maintain the relevant risk assessments for the operation of the building itself.

Finance

The Town Council can raise the capital required to acquire the freehold and commence essential works within approximately six weeks from the date of application to the Public Works Loan Board. All bids are

assessed but as long as the Council can demonstrate that it has sufficient revenue to finance the repayments and the legal basis for the decision can be evidenced it is almost unheard of for an application of this type to be declined by the PWLB.

Payments for a loan of £400,000 would equate to a revenue budget of approximately £40,000 per year over a 12 year period. This initial capital could be used as match by the Town Hall Trust to lever in additional Heritage funding and specific funding by partners to invest in the building to bring it up to the required standard.

The Council has built enough flexibility into its revenue budget for the coming financial year to allow it to respond at need to demands that will be placed to procure professional services and staffing for servicing the building.

The Council hold sufficient reserves to enable it to deal with any other in-year budget pressures, currently in excess of £250,000.

Risk Assessment

The acquisition of large building does pose some risk for the Town Council. The level of risk is reduced by bringing partner organisations with us to deliver the project and working pro-actively to ensure the building is fully occupied. The rental of large areas of the building to partners ensures that at worst the building will be at 50 % occupancy, however there is enough activity in the locality to ensure this doesn't not happen. The strength of a Town Council is its ability to react quickly because it has a straightforward governance structure. Decisions can be made quickly and if necessary changed quickly. If the exhibition space does not attract enough visitors, or a new partner wants to join the project, the space is flexible enough to respond quickly to change.

THE OFFER

Stanley Town Council would be prepared to offer £TBA to acquire the freehold interest in the building. However, given that the Town Council's objectives in taking forward this project are social inclusion, regeneration and empowering the third sector to fill gaps in local provision that have been created by statutory services being forced to move out by budget pressures, It is the Town Council's hope that the County Council would see this as a partnership opportunity rather than a one off capital receipt.

The building was built and maintained for 110 years by contributions from Stanley rate payers before it came under the control of Durham County Council. It would seem the appropriate thing to do to transfer the building back to the Stanley Community for continued use as a Community building by and for Stanley residents.