



Asset and Enterprise Committee

Agenda

Part One

Council Chamber - Town Hall

Wednesday, 17 September 2014 at 7.00 pm

Membership (Quorum – 3)

Councillors

Cllrs Quirk (Chair), Sapwell (Vice-Chair), Aspinell, Clark, Cloke, Mrs Coe, Hirst, Kerslake, Morrissey and Sleep

Committee Co-ordinator: Claire Hayden (01277 312 741)

Additional Information:

Substitutes

The names of substitutes shall be announced at the start of the meeting by the Chair and the substitution shall cease at the end of the meeting.

Substitutes for quasi judicial Committees must be drawn from members who have received training in quasi-judicial decision making. If a casual vacancy occurs on a quasi judicial Committee it will not be filled until the nominated member has been trained.

Rights to attend and speak

Any Member may attend any body to which these Procedure Rules apply.

A Member who is not a member of the committee may speak at the meeting if they have given prior notification by no later than one working day before the meeting to the Chair and advised them of the substance of their proposed contribution.

The member may speak at the Chair's discretion, it being the expectation that a member will be allowed to speak on a ward matter.

Point of Order/Personal explanation/Point of Information

8.3.14 Point of order

A member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of these Procedure Rules or the law. The Member must indicate the rule or law and the way in which they consider it has been broken. The ruling of the Chair on the point of order will be final.

8.3.15 Personal explanation

A member may make a personal explanation at any time. A personal explanation must relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate, or outside of the meeting. The ruling of the Chair on the admissibility of a personal explanation will be final.

8.3.16 Point of Information or clarification

A point of information or clarification must relate to the matter being debated. If a Member wishes to raise a point of information, he/she must first seek the permission of the Chair. The Member must specify the nature of the information he/she wishes to provide and its importance to the current debate. If the Chair gives his/her permission, the Member will give the additional information succinctly. Points of Information or clarification should be used in exceptional circumstances and should not be used to interrupt other speakers or to make a further speech when he/she has already spoken during the debate. The ruling of the Chair on the admissibility of a point of information or clarification will be final.

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Occasionally meetings will need to discuss some of its business in private. This can only happen on a limited range of issues, which are set by law. When a Board or Committee does so, you will be asked to leave the meeting.

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Where members of the public use a laptop, tablet device, smart phone or similar devices to make recordings these devices must be set to 'silent' mode to avoid interrupting proceedings of the council or committee.

If you wish to record the proceedings of a meeting and have any special requirements or are intending to bring in large equipment then please contact the Communications Team before the meeting.

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The Chair of the meeting may terminate or suspend filming, photography, recording and use of social media if any of these activities, in their opinion, are disrupting proceedings at the meeting.

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Part I

(During consideration of these items the meeting is likely to be open to the press and public)

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10	Urgent Business An item of business may only be considered where the Chair is of the opinion that, by reason of special circumstances, which shall be specified in the Minutes, the item should be considered as a matter of urgency.		

A handwritten signature in black ink, appearing to read "J. Healy". The signature is written in a cursive style with a large initial "J" and a long, sweeping underline.

Acting Chief Executive

Town Hall
Brentwood, Essex
09.09.2014



Minutes

Asset and Enterprise Committee 15th July 2014

Membership/Attendance

- * Cllr Quirk (Chair)
- * Cllr Sapwell (Vice-Chair)
- * Cllr Aspinell
- * Cllr Clark
- Cllr Cloke
- * Cllr Mrs Coe
- * Cllr Hirst
- * Cllr Kerlake
- * Cllr Morrissey
- * Cllr Sleep

*present

Substitute Present

Cllr Dr Naylor (for Cllr Cloke)

Also present

Cllr Baker	Cllr K Pratt – Stondon Massey Parish Council
Cllr Chilvers	Cllr R Keeble – Blackmore, Hook End & Wyatts Green Parish Council
Cllr Mrs Davies	Cllr Peter Davey – Ingatestone & Fryerning Parish Council
Cllr Mrs Hubbard	Cllr Lyndon Day - Ingatestone & Fryerning Parish Council
Cllr Kendall	
Cllr Lloyd	
Cllr Mynott	

Officers Present

Claire Hayden – Governance and Member Support Officer
David Lawson – Monitoring Officer
John Parling – Strategic Asset Manager
Adrian Tidbury - Estates & Valuation Surveyor - Portfolio Development

72. Apologies for Absence

Apologies for absences were received from Cllr Cloke.

73. Minutes of Performance and Resources meeting held on 12.3.2014

The minutes of the Performance and Resources meeting held on 12.3.2014 were approved and signed by the Chair as a correct record.

74. Asset Management Strategy 2014/2015

The Strategy sets out the aims and objective for the forthcoming year for the Council's property asset portfolio as well as setting out the achievements accomplished in 2013/2014 and highlight the entrepreneurial approach to the Council's management in its assets going forward.

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sapwell to receive the recommendations as set out in the report.

RESOLVED UNANIMOUSLY to:

- 2.1 That the Committee approves and adopts the Asset Management Strategy 2014/2015.

75. Warley Training Centre, Warley – Update on disposal of a surplus asset

The report asked for Members to agree that the conditional contracts for the sale of the property are exchanged.

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sapwell to receive the recommendations as set out in the report subject to a suggested alteration by the mover after a full discussion.

- 2.1 *That conditional contracts for the sale of the property are exchanged with the party that submits the highest compliant and deliverable bid. with highest and most compliant bidder (Bid B), with the Council then negotiating to retain 5 units for revenue investment purpose.*

Voting took place by a show of hands and in accordance with Rule 9.2 of the Council Procedure Rules, the Chair exercised his casting vote and the MOTION was CARRIED.

76. Bell Mead, Ingatestone – Update on disposal of a surplus asset

The report asked for Members to agree that the conditional contracts for the sale of the property are exchanged.

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sleep to receive the recommendations as set out in the report subject to a suggested alteration by the mover after a full discussion.

- 2.1 *That conditional contracts for the sale of the property are exchange with the party that submits the highest complaint and deliverable bid to provided 14 homes of mixed format with additional 10 parking spaces.*

RESOLVED UNANIMOUSLY

77. Advertising Hoarding (Bill Boards) – Update on progress made

The report advises Members of the progress made to date on the recovery of unpaid advertising space and the re-leasing of Councils existing advertising hoarding.

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sapwell to receive the recommendations as set out in the report.

RESOLVED UNANIMOUSLY to:

- 2.1 For Members to note the income received from the conclusion of the recovery of the unpaid advertising space.
- 2.2 For Members to note the progress to date on the new agreements for advertising hoarding.

78. Hallsford Bridge – Land transfer to Housing Revenue Account

The report asks Members to consider the transfer of land situated at Hallsford Bridge Industrial Estate to the Housing Revenue Account to be redeveloped into suitable affordable housing.

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sleep to receive the recommendations as set out in the report subject to a suggested alteration by the mover after a full discussion.

- 2.1 That in principle the land should be transferred at an appropriate value and by a compliant mechanism to the Housing Revenue Account and to request that an appraisal be prepared and submitted to the next Housing and Health Committee to enable that Committee to make an in principle assessment as to whether affordable housing can be provided.

Voting took place by a show of hands and in accordance with Rule 9.2 of the Council Procedure Rules, the Chair exercised his casting vote and the MOTION was CARRIED.

79. Old House

The report acknowledges the bids received through the marketing of the property and to reconsider the future development of the site.

A motion was MOVED by Cllr Sapwell and SECONDED by Cllr Aspinell to receive the recommendations as set out in the report subject to a suggested alteration by the Mover after a full discussion.

- 2.1 *Members are asked to acknowledge the range of bids received for the property, the anticipated costs for redevelopment of the property into flats as an entrepreneurial approach to receiving revenue income to the Council and reconsider the decision of the 13th March, Policy and Resource Board.*
- 2.2 *In principle, Members resolve to proceed with the redevelopment of the property, a report to Full Council will be required to consider the financial implication for the Capital Programme.*

Voting took place by a show of hands and in accordance with Rule 9.2 of the Council Procedure Rules, the Chair exercised his casting vote and the MOTION was CARRIED.

80. Hutton Community Centre - Urgent Business

The Chair advised the committee that a request for urgent business had been received.

The Chair allowed it as urgent business as this matter had only just come to his attention since the Agenda was published and raised serious issues over the state of repair of Hutton Community Centre such that he felt consideration of which could not be delayed until the next scheduled committee meeting.

1. *An investigation to be undertaken by the Audit & Scrutiny Committee on how, why and whether the funds were allocated in the correct fashion for the refurbishment of the building.*
2. *Report to a future Finance and Resource Committee with regards to the funding of any necessary further repairs.*
3. *To undertaken a Health & Safety Inspection on Hutton Community Centre immediately and report back to either Audit and Scrutiny or Asset and Enterprise Committee.*

A motion was MOVED by Cllr Quirk and SECONDED by Cllr Sapwell to approve the recommendation.

Voting took place by a show of hands and in accordance with Rule 9.2 of the Council Procedure Rules, the Chair exercised his casting vote and the MOTION was CARRIED.

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17 September 2014

Asset & Enterprise Committee

Warley Training Centre – update on disposal of a surplus asset

Report of: *John R Parling*

Wards Affected: *Warley*

This report is: *Public*

1. Executive Summary

- 1.1 The Asset & Enterprise Committee on 15 July 2014 resolved “That conditional contracts for the sale of the property are exchanged with the highest and most compliant bidder (Bid B), with the Council then negotiating to retain 5 units for revenue purpose.”
- 1.2 The Council’s solicitors have been instructed regarding the sale and negotiations have been undertaken to retain 5 units at a discount to current values.
- 1.3 The proposed acquisition of the 5 units will be reported to Council on 22 October 2014 and approval sought to proceed.

2. Recommendation (s)

- 2.1 **Members are asked to note the progress with the negotiations ahead of a full report to Council on 22 October 2014 for approval to proceed. Note that the sale itself does not require Council approval rather the acquisition of the five residential units.**

3. Introduction and Background

- 3.1 In June 2014 the Council’s selling agents were instructed to seek bids from the original parties that submitted bids and also any additional active new entrants into the local market. Offers were requested to be submitted on or before the 11th July 2014.
- 3.2 The potential bidders were advised to submit two bids on the following basis:-

1. A bid on the previous advised basis including the provision of a small community facility, and
 2. A bid to include the price that the developer would transfer different unit types to the Council
- 3.3 Several offers were received and the bidders that submitted the highest and compliant bids were interviewed and the party that submitted the highest original bid (Bid B) has also offered the most attractive proposal relating to the acquisition of the 5 units.
- 3.4 The Heads of Terms with (Bid B) provides for the sale to be conditional on the purchaser obtaining planning permission for 38 residential units plus a community hall of 60sq m (shell but with wc/kitchen) and also a commitment by the Council to acquire 5 units at a pre agreed discounted price. The sale proceeds will be reduced by the aggregate prices of the 5 units and the net proceeds will be paid at the completion date for the sale of the land. The contract will require the purchaser to complete the construction of the development within an agreed period of time.

4. Issue, Options and Analysis of Options

- 4.1 The Asset & Enterprise Committee has resolved to exchange contracts with the highest compliant and deliverable bid that also provides the Council with the opportunity to acquire units at the best price.
- 4.2 Terms have been negotiated and agreed with the party that provides not only the highest bid but also the best overall financial outcome in terms of acquiring the 5 units.
- 4.3 An independent valuation will be sought to ensure that the sale and acquisitions offers best value to the Council to comply with s123 of the Local Government Act 1972.
- 4.4 A report will be presented to Council on 22 October which sets out the options for the management of the residential units.

5. Reasons for Recommendation

- 5.1 To enable Members of the Asset & Enterprise Committee to be updated with the latest information pertaining to the acquisition of 5 units at Warley. Due to the value and implications of such an acquisition the final approval to proceed is reserved to full Council.

6. Consultation

6.1 None at this stage

7. References to Corporate Plan

7.1 The key criteria for the disposal of the freehold of the freehold interest in this site are linked directly to the Corporate Plan 2013 –16, specifically:

- a) A Prosperous Borough
- b) Set planning policy that supports discerning economic growth and sustainable development
- c) Promote a mixed economic base across the Borough, maximising opportunities in the town centres for retail and balanced night time economy

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Director of Strategy & Corporate Services (s151 Officer)

Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

8.1 The acquisition of 5 units will reduce the original capital receipt anticipated for this asset sale. This in itself may impact on the Council's ability to fund a 3 year Capital Programme and will need to be considered as part of the Half Year Budget Review reported to Finance and Resources 29 October 2014.

Any financial implications arising from the management of the properties and the operation of a commercial company will be considered in a separate report to Council on 22 October 2014.

Legal Implications

Name & Title: Christopher Potter, Monitoring Officer & Head of Support Services

Tel & Email 01277 312860 / christopher.potter@brentwood.gov.uk

8.2 When the Council itself decides whether to proceed, the Council will be required to consider its disposal powers contained in section 123 of the Local Government Act 1972. Whilst under section 123(1) of that Act the Council has power to dispose of land in any manner they wish, such

discretion is not absolute but is, in law, qualified. The Council, as a local authority subject to public law constraints, does not have the same freedom of action that a private landowner has as regards land. Under section 123(2) of that Act there can be no disposal 'for a consideration less than the best that can reasonably be obtained' except with the prior written consent of the Secretary of State (unless a lease of seven years or less is to be granted). In assessing whether the best consideration reasonably obtainable is to be achieved by the disposal, only those parts of the transaction which are of commercial or monetary value to the Council can amount to such consideration. No discount can be given for any perceived social value in the absence of the Secretary of State's consent.

- 8.3 **Other Implications** (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

9. **Background Papers** (include their location and identify whether any are exempt or protected by copyright)

- 9.1 Relevant Past Reports

15 July 2014 – Asset & Enterprise Committee

4 July 2012 - Asset, Infrastructure & Localism Panel

28 February 2012 - Asset, Infrastructure & Localism Panel

10. **Appendices to this Report**

None

Report Author Contact Details:

Name: John R Parling, Strategic Asset Manager
Telephone: 01277 312690
E-mail: john.parling@brentwood.gov.uk

17 September 2014

Asset & Enterprise Committee

Hutton Community Centre

Report of: *John R Parling, Strategic Asset Manager*

Wards Affected: *Hutton North*

This report is: *Public*

1. Executive Summary

1.1 This report provides an update on this subject which was presented to the Committee on the 15 July 2014 as “Urgent Business”.

1.2 The Committee on 15 July 2014 resolved that:

1. An investigation to be undertaken by the Audit & Scrutiny Committee on how, why and whether the funds were allocated in the correct fashion for the refurbishment of the building
2. Report to a future Finance & Resource Committee with regards to the funding of any necessary further repairs
3. To undertake a Health & Safety Inspection on Hutton Community Centre immediately and report back to either Audit & Scrutiny or Asset & Enterprise Committee

1.3 This report deals with Item 3 and sets out the findings of the inspection and also an independent survey of the roof of the facility. The remaining items above are considered by other Committees.

2. Recommendation(s)

2.1 Members are asked to note the findings of the inspection and also the independent survey of the roof to the facility.

3. Introduction and Background

- 3.1 Following the Committee on the 15 July, officers from the Health & Safety and Strategic Asset Management Services inspected the property on the 18 July and their report is attached (Appendix A).
- 3.2 An external and independent firm of building surveyors was instructed to inspect the roofs of the building, an inspection was undertaken on the 1st August, their report is attached (Appendix B).

4. Issue, Options and Analysis of Options

- 4.1 The Health & Safety report identifies a number of issues that needed addressing, including:
- Small Roof Leaks – 4 in total identified
 - Small Hall – restrictor mechanism not working
 - Small Hall – missing light bulbs
 - Water Meter – missing
 - Roller Shutter – require servicing
- 4.2 The full Health and Safety report is attached as Appendix A to this report.
- 4.3 The roof report indicates that the parts of the roof are at the end of their useful life and if replacement is not undertaken there is the likelihood of continuing maintenance issues.

Summary & Recommendations (extract from the report)

“The roofs are seen in varying conditions ranging from fair to poor condition. This is representative of how the building has been adapted and extended during its life, and also a reflection of the lack of good and proper maintenance to the roof areas as a whole.

There was no evidence of any significant leaks during the time of our inspection and we anticipate that the roofs are generally watertight. That said, we are sceptical that the recent patch repair above the lounge area will have been successful and furthermore we would not be surprised if further leaks are experienced in the short term to the areas where the coverings were found to be in poor condition.

On the basis these roofs have not been subject to good maintenance and they have broadly reached the end of their useful life it is our opinion that there will be further failings by way of leaks. We therefore recommend that roofs 2,3,4,5 & 6 should be overlaid (in a single phase of works) with insulation and a mineral felt system to provide a 20 year insurance backed guarantee and that these works are carried out as soon as possible. In doing so, we would strongly advise that upstands, parapets, rooflights and drainage is reviewed, improved and encapsulated to benefit from the guarantee. This will address a large amount of the overall roof area and provide a basis for a planned replacement of the remaining roofs over a 10 year period (as well as helping improve the building EPC rating).

Assuming the existing decks area sound a budget cost of £75,000 plus VAT and fees is suggested for the overlay to roofs 2,3,4,5 & 6. If the decks are not sound and require replacement the budget cost should be increased to £100,000 plus VAT and fees.

The other roofs should then be subject to a planned maintenance programme with replacement anticipated in the mid to longer term. A planned maintenance programme would be beneficial to help manage and prolong these roofs.”

- 4.4 The full Roof report is attached as Appendix B to this report.
- 4.5 Options to fund the identified roof replacement could be from a number of sources, including:
 - 1. The replacement could be funded from the capital budget of the Council – no current allocation and a bid will have to be submitted to secure funding.
 - 2. As part of any letting to a tenant the responsibility for the replacement of the roof could be made a requirement of the granting of the lease – likely to deter potential occupiers and depress any revenue.
 - 3. Secure funding by a public fund raising campaign and grants where available – potential delay in undertaking the works

5. Consultation

- 5.1 None at this stage

6. References to Corporate Plan

- 6.1 Corporate Plan 2013 –16, specifically:

- a) A Prosperous Borough
- b) Set planning policy that supports discerning economic growth and sustainable development
- c) Promote a mixed economic base across the Borough, maximising opportunities in the town centres for retail and balanced night time economy

7. Implications

7.1 Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

The Building Surveyors report indicates that part of the roof requires replacement as soon as possible at a likely cost of £75,000 - £100,000 plus fees. Currently this cost is not included within the 2014/15 budget. As part of the discussions for the future management and operation of the Centre, it will need to be identified who will assume responsibility for this cost in order that this can be earmarked in a medium term financial plan.

7.2 Legal Implications

Name & Title: Chris Potter, Monitoring Officer and Head of Support Services

Tel & Email: 01277 312860 / christopher.potter@brentwood.gov.uk

None arising directly from the report itself.

7.3 Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

None

8. Background Papers

9.1 None

10. Appendices to this Report

Appendix A – Health & Safety Inspection Notes

Appendix B – Roof Report

Report Author Contact Details:

Name: John R Parling, Strategic Asset Manager

Telephone: 01277 312690

E-mail: john.parling@brentwood.gov.uk

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John Parling

From: David Wellings
Sent: 18 July 2014 18:16
To: Tony Reader
Cc: Ashley Culverwell; Kim Anderson; John Parling
Subject: Hutton Community Centre

Tony,

Following the visit to the Hutton Community Centre today to evaluate the concerns raised regarding the building, I can state that it is in a reasonably good condition to enable it to be used as a community centre for community activities.

Given the age of the building there are some minor remedial works that need to be undertaken at present, specifically the small roof leaks that have occurred. This does not invalidate the community centre from being used just targeting the isolated areas that need repair. I'm sure with any building there will also be the longer term identification of appropriate renewal where this is required.

The temperature in the large hall is as would be expected from the exceptional hot weather we are currently experiencing, is warm. However, with some relatively minor changes this can be overcome. This would include reflective solar film for the windows most susceptible to solar gain, portable air conditioning units for use in hot weather and improved air circulation through open doors where possible.

The toilets are in a good condition and are sufficient for the number of employees regarding health and safety.

Overall the community centre has been considerably improved and is able to accommodate a range of community activities and clubs.

Kind Regards

David

Appendix A

HUTTON COMMUNITY CENTRE

Site survey to establish if there are any health & safety issues here after recent roof leaks & reports from some council members that the building is not safe for use.

Date of survey: 18/7/14

Carried out by David Wellings & Tony Reader – BBC

The following observations were made by David & where actions are required, these will be highlighted in **bold** typing:

1. Large Hall

It is acceptable to have the external fire exit doors open when the hall is in use, providing that the hall is managed and the manager can clearly see who is coming in & out (if that happens)

2. Large Hall

At the time of our survey, it was a particularly hot and humid day. We discovered that by opening the inner doors between the large hall and the lounge plus the doors from the small hall, allowed a cross flow of cooler air to pass into the large hall. This was much more effective than opening the external fire check doors to the large hall as this simply allowed warm air to come in, allowing the hall to get even hotter.

3. Large hall – for physical activity taking place, the inside temp should be 18 C but for passive activities, the inside temp should be 21 C.

4. **Roof leaks:**

Store cupboard in large hall

Above roof light in disabled toilet

Above flat roof area, outside kitchen

From internal flat roof outlet behind bar

David indicated these roof leaks should be addressed asap especially with more stormy weather forecasted.

Tony e mailed these over to Wates at 4pm for action.

5. **Electric fans required to further help cool the inner spaces. Tony to speak to caretakers to see if there are any surplus fans at the Town Hall not in use.**
6. Suggestion made to obtain portable air conditioning units- especially for the large hall. Advantage being that they could be sited wherever they are required.
7. **Small hall: the restrictor mechanisms to the windows (3 no windows) are not operating which allows the centre pivot windows to spin completely around which could present a danger for the users in this hall. Tony to action this.**
8. **Small hall – there are no light bulbs in the up lights around the walls. Tony to action this.**

9. **Water monitoring – Oakray:**

Tony spoke to Andy Edmonds – Oakray to get this moving which was promised for next week (w/c 21/7/14) – along with other corporate buildings.

- 10. Water meter still not fitted although Tony has reported to Essex & Suffolk some weeks ago. Another chase will be made.**
- 11. Roller shutters to bar & above internal doors to lounge which were in place from the old Hutton Community Centre. David instructed that these should be serviced by a company to ensure they are safe & not likely to drop down unexpectedly. Tony to action this.**

Conclusion

From Davids survey, he has established that the building is safe for all to use. Leading on from that, Tony has met Building Control, Essex Fire Brigade & Essex Fire Safety some weeks ago when the project was completed to get this signed off. From that meeting, minor alterations were carried out as follows:

Signage on doors / fire exits

Additional panic bars on external fire exit doors in both halls

Filling in holes in walls (store room between hall / entrance foyer & boiler room)

A more adequate lock to the disabled toilet.

All items requested have now been completed & Tony is waiting response to arrange a follow up meeting to sign this project off.

Tony Reader – Brentwood Council Asset Building Surveyor

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26 August 2014

John Parling
Brentwood Borough Council
Town Hall
Ingrave Road,
Brentwood,
Essex
CM15 8AY

Dear John

Re: Hutton Community Centre, Brentwood CM13 1LP

Further to my inspection on 1 August 2014, I outline below my findings and views in respect of the roofs at the above property:

Introduction

We have been instructed by John Parling of Brentwood Council to inspect the roofs at Hutton Community Centre and provide commentary in respect of the general repair, condition and life expectancy of the roofs.

Hutton Community Centre lies approximately 2.5 miles north-east of Brentwood and comprises a single storey building which has been adapted and extended to provide general community facilities including halls, meeting rooms and welfare facilities. We anticipate the building was constructed in circa 1970 and has been adapted and extended on several occasions over the years, and with a programme of internal repair and refurbishment works (plus some minor external repairs) completed earlier this year.

Our inspection was carried out on 1 August 2014 at which time the weather was dry and bright. Access to the internal areas was provided by the Centre Manager and access to the roof areas gained via builder's ladders.

Intrusive investigations, samples and cores were not taken. Our report is based on a visual assessment only.

General Description

The roofs are all of flat roof construction but with a combination of felt coverings, decks and a variety of details (roof lights, upstands, flashings etc) which are seen in varying conditions and with evidence of isolated repairs and reactive maintenance works undertaken at different times.



As a result of the original building being extended and adapted we can see that the roofs vary in age and condition with the majority of the coverings either original and/or 20+ years old. Detailing at abutments and junctions, as well as the configuration of rainwater goods, is a reflection of the way that the building has been adapted and extended over its life.

Broadly we have broken down the roofs into ten separate sections as indicated on the attached annotated plan which is for reference only.

Condition and Discussion

In line with the attached plan we have prepared the following table to discuss the general condition and our views in respect of the various roofs.

Roof	Discussion	Lifecycle Replacement
Roof 1	This roof weathers the large hall and comprises felt weatherings with a solar reflective coating. It appears to be formed on a prefabricated woodwool slab deck. The coverings themselves are in fair condition with some minor deterioration apparent and with evidence of a few isolated patch repairs undertaken to presumably resolve historic leaks. The roof is found in overall fair condition.	It is our opinion that this roof has a useful life of between 5-10 years before replacement will be necessary.
Roof 2	This roof has a felt covering with stone chippings, with sections of it overlaid with mineral felt. This roof covers the main entrance and central reception area primarily and is assumed to have a timber deck construction. This is an example where the general detailing to the adjoining roofs and previous repairs are questionable in terms of their longevity and ability to remain watertight. Patch repairs have been undertaken to address a recently reported leak, but we cannot be certain that these repairs have been successful and we very much doubt that they will come with any form of guarantee. The falls are deemed to be fair and the box gutter detail formed appears to be performing as required.	We anticipate reasonable expenditure will be necessary by way of an overlay or replacement to this roof area within the next five years on the basis the roof is at the end of its useful life.

Roof 3	This roof is similar to Roof 2 and weathers the café / lounge area at the rear of the building. Patch repairs are apparent to the weatherings, plus Acrypol type repairs to the roof lights and extract vent, which are in effect short term repair solutions. Detailing to the flashings and upstands are poor in areas, however the roof does appear to fall and drain adequately via an internal downpipe.	This roof is also at the end of its useful life and we would recommend an overlay or replacement to be considered within the short term, and ideally at the same term as works to Roof 2.
Roof 4	This roof appears to have been overlaid with a felt system and is seen in overall fair condition albeit detailing to the roof light is poor, and with evidence of some patch repairs also to a poor standard.	The main covering should have a life cycle of between 5-10 years; however some of the previous repairs and detailing will require attention in the short term and there is a benefit of including the overlay or replacement of this roof whilst doing the same to the immediately surrounding roofs.
Roof 5	This roof has a combination of felt with chippings and mineral felt overlay, and again with the detailing at upstands and abutments found to be poor. Roof lights are dressed with flashband which is a short term repair solution. Standing water is noted adjacent to Roof 4 and we suspect the drainage from this roof is limited.	We are of the opinion that the roof is towards the end of its useful life and should be subject to an overlay or perhaps replacement in the short term and certainly within the next five years.
Roof 6	The main roof area is felt with stone chippings but with mineral felt dressings formed to the perimeter and abutment of the roof area, which would appear to have been undertaken to resolve previous defects. Blisters and splits in the weatherings are noted and defects to the parapet and flashings developing. Flashband treatment to the roof lights is again noted. The roof lights themselves include Georgian wire and GRP units, with the GRPs solar degraded.	We are of the opinion that the roof is at the end of its useful life and that an overlay or replacement should be considered, together with repairs and replacement to parapets and roof lights. It would be beneficial to do such works at the same time as the others, as described above.
Roof 7	This is a felt weathered flat roof which is found in overall fair condition with some minor maintenance required, but otherwise no significant defects noted.	We would estimate this roof has a useful life of up to ten years.
Roof 8	This roof covers the football changing rooms and is the same as Roof 7, with the only minor defect noted to be the standing water within the rainwater goods, which can be overcome by way of minor adjustments.	Again we are of the opinion that this roof has a useful life of in the order of ten years.

Roof 9	This roof has felt weatherings which are found in overall fair condition, and with some patch repairs apparent that appear well detailed. GRP roof lights are solar degraded; otherwise no significant defects or shortcomings are noted.	We would expect this roof to have a useful life of up to ten years. However, replacing the roof lights or alternatively removing them and capping over in the short term would be beneficial.
Roof 10	This roof has felt weathering and covers the Small hall to the front left hand corner of the building. It appears in fair condition overall, however the perimeter upstands and parapets are untidy and present an opportunity for future failings.	We are of the opinion this roof will need to be overlaid in approximately five years when it will be at the end of its useful life.

Summary and Recommendations

The roofs are seen in varying conditions ranging from fair to poor condition. This is representative of how the building has been adapted and extended during its life, and also a reflection of the lack of good and proper maintenance to the roof areas as a whole.

There was no evidence of any significant leaks during the time of our inspection and we anticipate that the roofs are generally watertight. That said, we are sceptical that the recent patch repair above the lounge area will have been successful and furthermore we would not be surprised if further leaks are experienced in the short term to the areas where the coverings were found to be in poor condition.

On the basis these roofs have not been subject to good maintenance and they have broadly reached the end of their useful life it is our opinion that there will be further failings by way of leaks. We therefore recommend that roofs 2, 3, 4, 5 & 6 should be overlaid (in a single phase of works) with insulation and a mineral felt system to provide a 20 year insurance backed guarantee and that these works are carried out as soon as possible. In doing so, we would strongly advise that upstands, parapets, rooflights and drainage is reviewed, improved and encapsulated to benefit from the guarantee. This will address a large amount of the overall roof area and provide a basis for a planned replacement of the remaining roofs over a 10 year period (as well as helping improve the buildings EPC rating).

Assuming the existing decks are sound a budget cost of £75,000 plus VAT and fees is suggested for the overlay to roofs 2, 3, 4, 5 & 6. If the decks are not sound and require replacement the budget cost should be increased to £100,000 plus VAT and fees.

The other roofs should then be subject to a planned maintenance programme with replacement anticipated in the mid to longer term. A planned maintenance programme would be beneficial to help manage and prolong these roofs.

We trust the above and attached meets your immediate requirements. Please do not hesitate to contact me if you have any queries.

Yours sincerely

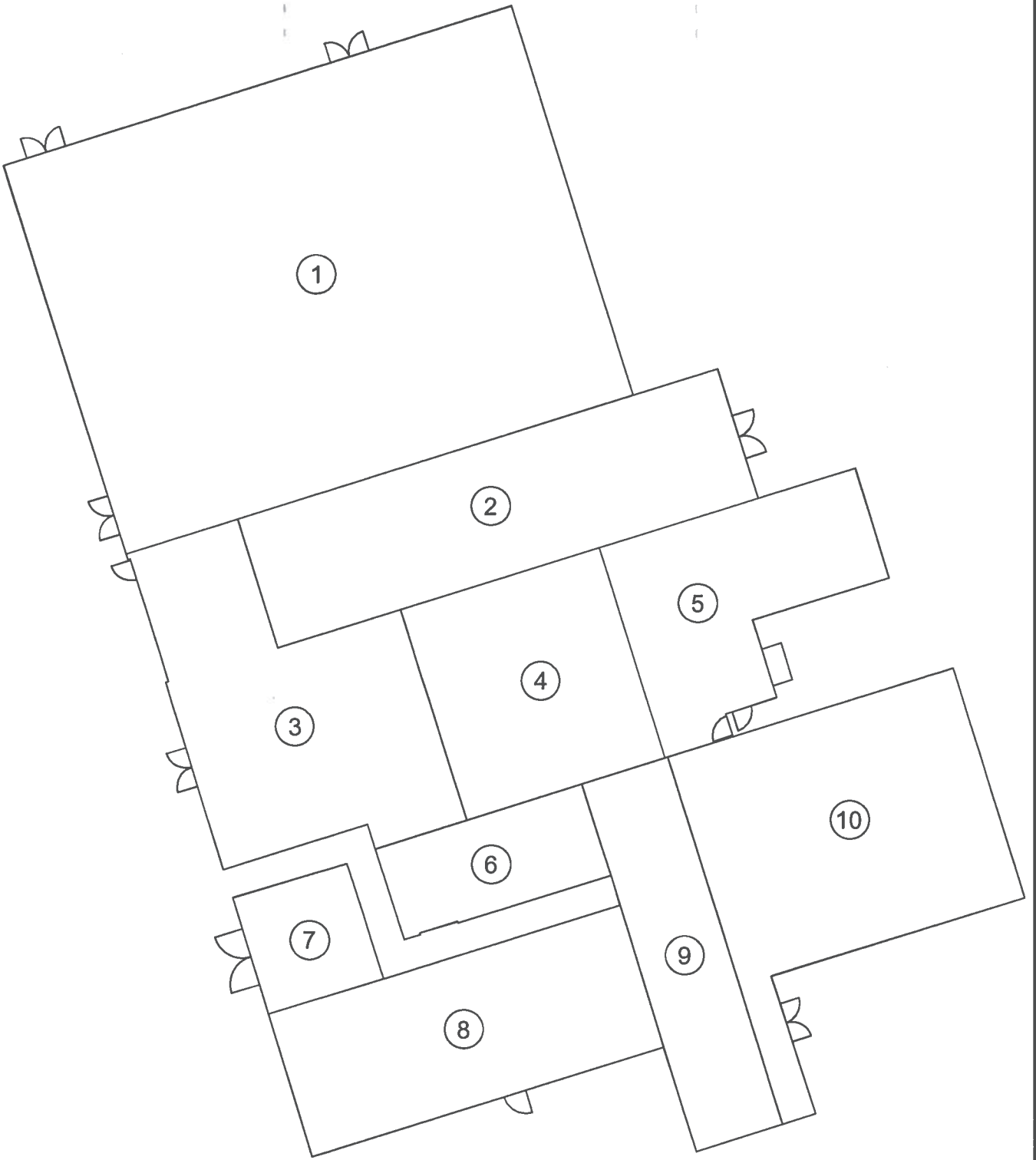
A handwritten signature in blue ink, appearing to read 'J. Helme', with a period at the end.

John Helme BSc (Hons) MRICS
Chartered Building Surveyor

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Enc



Helme & Partners <small>CHARTEDED IN GREAT BRITAIN</small>	Indicative Roof Plan	
	Drawing No JHP RS64 - 001	
Hutton Community Centre	Scale NTS	Revision
	Date Aug 2014	



General view.jpg



Roof 1 patch.jpg



Roof 1.jpg



Roof 2.jpg



Roof 3.jpg



Roof 8.jpg



Roof 9.jpg



Roof 10.jpg



View from roof 5.jpg

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17 September 2014

Asset & Enterprise Committee

Lease Expiries & Rent Review Update

Report of: *John R Parling, Strategic Asset Manager*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 This report provides an update in general terms on the progress that has been achieved in concluding outstanding lease expiries and rent reviews.

2. Recommendation(s)

2.1 For Members to note the report.

3. Introduction and Background

- 3.1 The key actions for 2014/15 set out in the Asset Management Strategy which was approved by the 15 July 2014 included:

- Asset Challenge Review
- Delivery of Major Projects
- Develop Housing for Social and Private Tenants
- Maximise Revenue and Capital Receipts

- 3.2 The relevant key action relating to the subject of this report was that the Strategic Asset Management Team will identify opportunities for the Council to generate additional revenue by acquisition or better use of the existing portfolio.

- 3.3 Section 4 of this report provides an overview of the number of leases where tenants are holding over, outstanding rent reviews and vacant units. It is estimated that on the successful conclusion of these cases the Council will benefit from an additional £62,000pa of revenue.

3.4 The conclusion of the cases will be achieved over a 12 - 18 month period as in some cases legal action maybe necessary to resolve disagreements.

4. Issue, Options and Analysis of Options

4.1 The table below sets out the number of outstanding lease expiries and rent reviews as at 1st September 2014.

4.2 General Fund

Lease Renewals Outstanding (No.)	Average Holding Over Period (months)	Potential Additional Rent	Comments
7	40 months	£9,500 pa	Lease renewals may be delayed as a consequence of breach of covenants or other statutory reasons. Action: Currently being assessed to determine strategy

Rent Reviews Outstanding	Average Period Outstanding not Actioned	Potential Additional Rent	Comments
4	20 months	£7,500 pa	Rent Reviews may not be implemented for strategic reasons. Action: Assessment being undertaken to determine action to be taken

4.3 HRA

Lease renewals may be delayed as a consequence of breach of covenants or other statutory reasons

Lease Renewals Outstanding	Average Holding Over Period	Potential Additional Rent	Comments
23	106 months	£20,000 pa	Lease renewals may be delayed as a consequence of breach of covenants or other statutory reasons. Action: Comprehensive review being rolled out to ensure current situation appropriately dealt with.

Outstanding Rent Reviews	Average Period Outstanding not Actioned	Potential Additional Rent	Comments
n/a	n/a	n/a	Rent Reviews may not be implemented for strategic reasons. Position to be monitored

General Fund

Vacant Properties	Average Period Vacant	Potential Additional Rent	Comments
1	24 months	£15,000 pa	Property as identified for sale

HRA

Vacant Properties	Average Period Vacant	Potential Additional Rent	Comments
3	36 months	£10,000 pa	Action being taken to re-let units

5. Reasons for Recommendation

5.1 To record the progress report having been received.

6. Consultation

6.1 None at this stage

7. References to Corporate Plan

7.1 Corporate Plan 2013 –16, specifically:

- a) A Prosperous Borough
- b) Set planning policy that supports discerning economic growth and sustainable development
- c) Promote a mixed economic base across the Borough, maximising opportunities in the town centres for retail and balanced night time economy

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

8.1 The report identifies a number of rental income streams available to the Council. Steps must be taken to receive this income, which can be included within the MTFP.

Legal Implications

Name & Title: Chris Potter, Monitoring Officer and Head of Support Services

Tel & Email: 01277 312860 / christopher.potter@brentwood.gov.uk

8.2 This information report reflects the progress made in furtherance of the Council's general statutory duty under section 3 of the Local Government Act 1999 to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

8.3 None

9. Background Papers

9.1 None

10. Appendices to this Report

None

Report Author Contact Details:

Name: John R Parling, Strategic Asset Manager
Telephone: 01277 312690
E-mail: john.parling@brentwood.gov.uk

17 September 2014

Asset & Enterprise Committee

Action Plan & Asset Review Update

Report of: *John R Parling, Strategic Asset Manager*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

- 1.1 The Asset Management Strategy 2014/15 was approved by the Asset & Enterprise Committee on the 15 July 2014 - that report set out the aims and objectives for the forthcoming year for the Councils property asset portfolio. Appendix A (Action Plan Update) to this report sets out the progress achieved on the more significant work flows.
- 1.2 The Strategy highlighted the entrepreneurial approach to the Councils management of its assets and this objective is being adopted as opportunities arise.

2. Recommendation(s)

- 2.1 For Members to note the report.**

3. Introduction and Background

- 3.1 The key actions for 2014/15 set out in the Asset Management Strategy were:
 - Asset Challenge Review
 - Delivery of Major Projects
 - Develop Housing for Social and Private Tenants
 - Maximise Revenue and Capital Receipts
- 3.2 Asset Challenge Review - the Strategic Asset Management Team (SAMT) will undertake a forensic review of all the Council's assets with the exception of HRA dwellings to determine usage and whether assets are being put to best use and whether there are alternative and better solutions to deliver the same outcomes.

- 3.3 Delivery of Major Projects – the SAMT will endeavour to progress and complete the principal projects including sales.
- 3.4 Develop Housing for Social and Private Tenants – SAMT will work closely with Housing to identify sites and opportunities for the Council to acquire residential units and also develop where appropriate.
- 3.5 Maximise Revenue and Capital Receipts – SAMT will ensure that best value is achieved in acquisitions and disposals. SAMT will identify opportunities for the Council to generate additional revenue by acquisition or better use of the existing portfolio.

4. Issue, Options and Analysis of Options

- 4.1 The Asset Management Strategy 2014/15 outlines a change in the way that the council's assets are managed. It puts forward a comprehensive and coordinated structure and implementation solutions to ensure that the Council's asset portfolio is efficiently and effectively managed to ensure best use and to maximise revenue and capital receipts.

5. Reasons for Recommendation

- 5.1 To record the update having been received.

6. Consultation

- 6.1 None at this stage

7. References to Corporate Plan

- 7.1 Corporate Plan 2013 –16, specifically:
 - a) A Prosperous Borough
 - b) Set planning policy that supports discerning economic growth and sustainable development
 - c) Promote a mixed economic base across the Borough, maximising opportunities in the town centres for retail and balanced night time economy

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

- 8.1 There are no direct financial implications at this stage, although future reports on individual transactions/recommendations will detail relevant implications

Legal Implications

Name & Title: Chris Potter, Monitoring Officer and Head of Support Services

Tel & Email: 01277 321680 / christopher.potter@brentwood.gov.uk

- 8.2 None directly arising from this report.

Other Implications (where significant) – i.e. Health and Safety, Asset Management, Equality and Diversity, Risk Management, Section 17 – Crime & Disorder, Sustainability, ICT.

- 8.3 None

9. Background Papers

- 9.1 None

10. Appendices to this Report

Appendix A - Action Plan Update (September 2014)

Report Author Contact Details:

Name: John R Parling, Strategic Asset Manager

Telephone: 01277 312690

E-mail: john.parling@brentwood.gov.uk

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ACTION PLAN UPDATE

PROGRESS UPDATE:	September 2014	V 1.0
R	Target date likely to be missed. Caution	
A	On target to meet completion date. Monitor	
G	Action completed.	

TITLE: Asset Management Strategy
LEAD OFFICER: Strategic Asset Manager

This Action Plan sets out a timetable for developing and implementing the objectives of the Councils Asset Management Strategy. It identifies the key projects, tasks, resources, opportunities, milestones and outcomes for each objective. It suggests the lead responsibility for each Action.

START DATE:	Q2 2014/15	FINISH DATE:	As indicated	NO. WEEKS	
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REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE	RESPONSIBLE	PROGRESS UPDATE
A – CAPITAL & REVENUE INCOME						
AM1.	Warley Training Centre		Q2 2015/16		JRP	Heads of Terms agreed for the sale of the asset and acquisition of 5 residential units. A report on the proposed acquisition will be submitted to Council on 22 October 2014 and Finance & Resources Committee on 29 October 2014.
AM2.	Bell Mead		Q2 2015/16		JRP	Terms agreed and approved for the sale of this asset
AM3.	Old House		Q2 2015/16		AJT	Proposed sale being reviewed. Investigations into other options including possible retention and refurbishment being undertaken.

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Appendix A

REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE		RESPONSIBLE	PROGRESS UPDATE
AM4.	Hallsford Bridge		Q 2015/15			JRP/AJT	Proposed sale being reviewed. Potential for housing development being investigated, consultations with HRA being undertaken
AM5.	Acquisition of Assets for Revenue purposes		Ongoing			JRP	Identification of assets that will produce appositive revenue return to BBC , strategic acquisitions that will enhance the value of existing assets and those that will benefit BCC in the medium and long term.
- CORPORATE PROJECTS							
AM6	Town Hall		Ongoing			Phil Ruck	Refurbishment project- Space planning and surveys being updated and commissioned to determine works programme. Ongoing discussions with potential tenants and partners
AM7	William Hunter Way		Ongoing			Phil Ruck	Public consultation commenced September 1st
AM8	Cross Rail		Ongoing			Roy Ormsby	Park & Stride project under review. Discussions ongoing with Cross Rail

REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE		RESPONSIBLE	PROGRESS UPDATE
AM9	G & T Sites		Ongoing			JRP	Investigation being undertaken into availability of G & T sites
C – ESTATES MANAGEMENT							
AM10	Review of HRA non housing assets		Ongoing			GO	Management of HRA non housing assets now under SAM. Portfolio being investigated to identify assets where revenue can be improved
AM11	Review of General Fund Leased Assets		Ongoing			GO	Review of leased assets to determine opportunities to action outstanding rent reviews and lease expiries.
AM12	Hutton Community Centre		Ongoing			KA/TR	Future robust long term options being considered
D – FACILITIES MANAGEMENT							
AM13	Town Hall – review of surveys/investigations previously undertaken		Q3 2014/15			GM	As part of the proposed refurbishment previous surveys being updated and additional surveys being undertaken Various occupations by tenants and partners being reviewed

AM14	Repairs & Maintenance Contract		Ongoing			TR	Repairs and maintenance recently outsourced to Wates Living. Quality, cost and effectiveness of new contractor being monitored to ensure compliance with brief and service level agreement
REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE		RESPONSIBLE	PROGRESS UPDATE
AM15	Capital Works		Q4 2014/15			JRP	Various projects being reviewed and assessed including: Brentwood Leisure Centre – Swimming Pool plumbing Multi-storey Car Park – concrete repairs Warley Depot – MOT facility Warley Football Pavilion – refurbishment King Georges Playing Fields Pavilion – refurbishment Parks Depot - extension
E – ESTATES MANAGEMENT SYSTEMS GOVERNANCE AND GOOD PRACTICE							
AM16	Review of electronic data management systems to determine system to be adopted for SAM		Q3 2014/15			GM	Systems being reviewed include: Pythagoras/Yardi/Qube/Uniform/Tramps /Estateman/Argus/
AM17	Community Transfer Policy		Q3 2014/15			JRP	Draft report prepared and issued for comment

AM18	Business Rates		Q2 2014/15			GM	Review progress with retained advisers Wilkes Head Eve
REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE		RESPONSIBLE	PROGRESS UPDATE
AM19	Corporate Landlord		Q4 2014/15			JRP	Develop concept for discussion. Objective to establish a culture whereby assets are valued and put to their best use to achieve best value or contribute to the community wellbeing to the maximum
- COMMUNICATION							
AM20	Deliver a comprehensive communications plan that is based on the Asset Management Strategy and this Action Plan.		Ongoing			JRP	To ensure that the Council, members and staff are aware of processes and responsibility and accountabilities.
G – ASSET CHALLENGE							
AM21	Westbury Road Car Park		Q4 2014/15			JRP	Review of the use that the car park is put to and alternative options
AM22	Brentwood Leisure Centre & Community Centres		Ongoing			GO	Review of responsibilities and other potential opportunities

AM23	Warley Depot		Q4 2014/15			JRP	Review as to use and potential alternative locations to undertake services currently carried out there
REF	TASK DESCRIPTION	RAG	TARGET FINISH DATE	REVISED FINISH DATE		RESPONSIBLE	PROGRESS UPDATE
AM24	Herongate & Ingrave Community Centre		Q4 2014/15			AJT	Report on options to be presented to Asset & Enterprise Committee 17 September 2014.
AM25	Review of potential HRA development sites, including garage sites		Q4 2014/15			JRP	6 sites identified as phase 1. Schemes prepared and two are being investigated further. HRA need to prepare a policy regarding tenure/management and procurement

17th September 2014

Asset and Enterprise Committee

Herongate Village Hall

Report of: *Adrian J Tidbury, Estates and Valuation Surveyor*

Wards Affected: *Herongate and Ingrave and West Horndon*

This report is: *Public*

1. Executive Summary

- 1.1 This report considers the history, current condition and future of the Herongate Village Hall.

2. Recommendation(s)

- 2.1 To seek the Charity Commission's further advice and timely intervention as there are no Managing Trustees now willing to act and the Council has no power to take a decision on behalf of the Charity to dispose of the property and to deal with the proceeds of any disposal**

3. Introduction and Background

- 3.1 Herongate Village Hall (176 Brentwood Road) is situated adjacent to the A128 in Herongate opposite the Green Man Public House in the south of the Borough and 100 metres northeast of the junction of Billericay Road and the A128 Brentwood Road. The building was previously known as St Andrews Church Hall and sits within the Herongate Conservation area although the building is not listed. It is shown on the 1876 Ordinance Survey map but not on mapping prior to this date and therefore construction is understood to be during the 19th century and though to have been formerly a school. It consists of white painted brickwork and has a low pitched slate roof.
- 3.2 Originally, the hall was run by a committee of various village groups including Thorndon WI, the Village Preservation Society, the Church of England, the Methodist Church, a playgroup, Girl Guides, Brentwood Council, East Horndon Manor and the Ingrave Tigers Football Club.

3.3 A report on the title to the Village Hall is contained in Appendix A.

3.4 The salient points in this report on title are as follows:

- The Council own the freehold of the above land and building (the property). The property was transferred to the Council on 3 April 1979. The Trustees appointed the Council to act as Custodian Trustee and the Council therefore should oversee the trust being run in accordance with the trust powers and provisions.
- The Council cannot dispose of this land without the consent of the Charity Commissioners or the Registrar.
- The property is subject to a restrictive covenant not to redevelop the property; if the current building is demolished, then the land needs to become Common Land to be used for recreation, amusement, convenience and exercise of the inhabitants of Herongate and Ingrave ward. The Chelmsford Diocesan Board of Finance Limited have the benefit of this covenant.
- The village hall can only be used by then inhabitants of Herongate and Ingrave for any political, religious or other opinions, including use of the property for meetings/lectures/classes or any other form of recreation/leisure.
- The objects and powers of the Trust are to be administered by the Trustees Management Committee, as Charitable Trustees ('Managing Trustees').
- The Trustees Management Committee is responsible for the repairs of property and responsible for insuring the buildings, fixtures and public liability.
- The Trustee Management Committee, with the consent of the Charity Commissioners or Secretary of State, may mortgage the property for maintaining, extending or improving the property, including erecting any building thereon or internal works (bear in mind the covenant over the land is not breached by such proposals).
- The Trustee Management Committee can decide on ground of expense or otherwise to discontinue use of the property, they need to call a meeting of the inhabitants of Herongate and Ingrave ward by least 14

day notice period, by Notice which must state details of the resolution) inviting inhabitants who are 18 or over to attend the meeting to vote and the resolution has to be supported by 3/4 of those inhabitants voting and attending the meeting. The Notice must be posted at the property and advertised in the local paper. Any decision to demolish will require the Committee to grass over the site of demolition.

- 3.5 It would appear that the hall was last used in 2006 which is demonstrated by the certificate of insurance remaining on display inside the building.
- 3.6 The lack of use of the property was reported in the November 2011 Parish Council newsletter indicating that residents had asked about clearing the site or rescuing the property with a view to using it. The May 2012 newsletter comments on a meeting with representatives of village societies and groups took place on 23rd April 2012.
- 3.7 A further meeting also took place on 24th September 2012 with Borough Council Officers and group representatives from the village where the future of the building was discussed.
- 3.8 The property is insured through the Councils insurance policy.
- 3.9 A further meeting of interested parties took place on 25th February 2014 to discuss the future and need for the hall and concluded that there are currently 4 Halls in this area and this 5th hall is no longer required, particularly as there appears to be no willing participants who would become trustees to run and maintain it. In addition the last remaining trustee has now informed the Council that she no longer wishes to remain a trustee. It is not clear whether she is permitted to resign without appointing new trustees.
- 3.10 The Council wrote to the Charity Commission on 13th March 2014 setting out that the trustees have disbanded due to a significant number now deceased and the remaining sole trustee, has indicated that she no longer wishes to remain a trustee. The Council has been unable to recover any minute books or any accounts of the trust (in accordance with clause 16 of the 1978 deed) and the hall is in disrepair, an unkempt state and semi-derelict condition requiring significant expenditure of approximately £120,000 to bring the hall back in to repair. The Charity Commission was further advised that, there appears to be no interest in the use of this hall which has been uninhabited for some eight years and it is unlikely to be listed as an asset of community value. There are four other community halls within the same vicinity being utilised and it is believed the lack of use of this hall is compounded by the fact that it is located on a main road,

exacerbated by there being no provision for on-site parking, with limited parking nearby, resulting in a lack of community interest in using this hall for the trust's objects. The letter concludes seeking an order from the Charity Commissioners to appoint trustees.

- 3.11 The Charity Commissioners response outline an expectation that the sole remaining surviving trustee will hold inquorate meetings to appoint additional trustees.
- 3.12 The property remains in a derelict state with visible brickwork failure and recent damage from passing traffic to the roof construction at the eaves. At the present time the property remains water tight and significantly overgrown with vegetation. The property is not considered to be a dangerous structure at this point in time.

4. Issue, Options and Analysis of Options

- 4.1 The building prior to 2006 was in good use with the management committee managing bookings, maintaining and insuring the property. Since that time the use of the available halls at the Ingrave Johnstone School, the St Nicholas Church Hall and the St Andrews Church have become the main community rooms for the village and use of this hall became less and less particularly with the demise of the trustees. From the meeting of the interested parties held on 25th February 2014, it would appear that with the current halls available, which are larger in size, have better facilities and more importantly, the availability of parking, there is now no future demand for this property.
- 4.2 The property is currently derelict with a 'ball park' cost of up to £120,000 possibly required to bring the building back into modern use.
- 4.3 There are no parking facilities attached to the building and therefore any future use of the building would need to make use of the adjacent road space which is severely limited due to the widths of the side roads available as parking could not be permitted on the A128 Brentwood Road.
- 4.4 The location of the property is within 1 metre of the A128 Carriageway and therefore vulnerable to damage from passing traffic which has occurred in recent months.
- 4.5 From recent discussions with the representative groups there would appear to be no appetite to seek funding to refurbish the property. However, the deed provides for either alterations to the existing building, letting the building or demolition. Clearly, the lack of support for the

property would prevent any alterations, which leaves options for letting or demolition.

- 4.6 In the past years the Council has received at least one request to purchase the property. It is for the Trustees to consider any such requests and not the Council as its role is to hold the legal title on behalf of and at the direction of the Trustees. It should be noted that the deed restricts the property for use by the inhabitants of Herongate & Ingrave Ward.
- 4.7 Failing any prospective interested party coming forward the remaining option for the Trustees is one of demolition and returning the property to open grass and common land as there is no facility within the covenant to provide a new building on the site.
- 4.8 Clearly, prior to any decision on the property the response from the Charity Commission needs to be followed. However, with the purported resignation of the last trustee this may be no longer possible.

5. Reasons for Recommendation

- 5.1 A recent inspection of the property by officers has revealed that the property is now in a vulnerable condition and whilst not considered a dangerous structure, will soon be so.
- 5.2 In the light of no Trustees or Management Committee the Council as Custodian Trustee has now insured the property
- 5.3 There is a requirement for action to be taken to remedy the situation and either bring the property back into community use or demolish the property and return the site to the common in accordance with the title.
- 5.4 As the Council is the Custodian Trustee, then the property is held on behalf of the Charity. The Council cannot dispose of such property in the absence of a decision by the Managing Trustees and the Charity Commission. The Council holds the legal title only on behalf of the charity. It is in effect the charity's property. Therefore the matter will need to be referred back to the charity Commission for clarity on the way forward leading to the recommendation set out in this report.

6. Consultation

- 6.1 Two meetings have taken place with representatives of the remaining community groups and other interested parties including Ward members and the Parish Council on 24th September 2012 and 25th February 2014.

7. References to Corporate Plan

- 7.1 Value for Money: policies that invest in key services to create opportunity for all, provide better value for Brentwood's taxpayers and enhance the borough's infrastructure whilst modernising and transforming Brentwood Borough Council. We will re-prioritise and focus our resources and be innovative in our approach.
- 7.2 Our Borough: Policies which promote our environment, support sustainable growth, and safeguard our high quality environment including heritage and countryside. We will provide responsive, accessible and forward thinking services for vulnerable residents, supporting people back into work and providing good quality housing making Brentwood our residents' Borough of Choice.

8. Implications

Financial Implications

Name & Title: Jo-Anne Ireland, Acting Chief Executive

Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

- 8.2 Should a decision for demolition of the property be the final outcome, there will be costs in the order of £50,000 required to enable that work to be completed and would need to be included in the 2015/16 Capital Programme.
- 8.3 Should the decision to renovate the property then costs in the region of £120,000 will be required to enable the property to be brought back to modern use and would need to be included in the 2015/16 Capital Programme.

Legal Implications

**Name & Title: David Lawson, Deputy Head of Legal Services
Brentwood Council**

Tel & Email: 07875 397764 / david.lawson@BDTLegal.org.uk

8.4 The Legal implications, requisite procedures and options are as set out in the body of the report and correctly identify the important role of the Charity Commission

9. Background Papers (include their location and identify whether any are exempt or protected by copyright)

9.1 Notes from the 24th September 2012 meeting of interested parties (Appendix B)

10. Appendices to this report

Appendix A – Herongate Village Hall – Report on Title

Appendix B – Notes from 24th September 2012

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Appendix A

Herongate Village Hall Report on Title

6/2/2014

The Council are the freeholders of the land known as Herongate Village Hall (plan attached). There is a restriction over this land that the Council cannot dispose of the land without the consent of the Charity Commissioners or an order of the registrar.

The land is also restricted by a covenant, contained in a conveyance dated 21 December 1978, made between (1) The Chelmsford Diocesan Board of Finance Ltd, (2) The Parochial Church Council and (3) Cedric Championstevens and other (the Trustees), which states:

“The Trustees covenant with The Chelmsford Diocesan Board of Finance that the Trustees and their successors in title will not redevelop the said land as from the time when the existing building shall be demolished but will add the land hereby conveyed to the land surrounding it which is at present Common land as ground for recreation, amusement, convenience and exercise of the inhabitant.”

The conveyance dated 21 December 1978 lists the then six trustees, the trust being known as the Herongate Village Hall Fund/Trust. The land and building were transferred to the Trust subject to powers and provisions set out in this deed, most of which are summarised as follows:

1. The property transferred to the Trustees shall be held on trust for the purposes of a village hall for use of the inhabitants of Herongate & Ingrave ward without distinction of political, religious or other opinions, including use for meetings, lectures & classes and for other forms of recreation and leisure time, with the object of improving the conditions of life for the said inhabitants;
2. The Trust shall be administered in conformity to this deed by the Committee of Management (the deed lists the original committee members) who shall be the Charity Trustees within the meaning of s46 of the Charities Act 1960;
3. The Trustees shall vest in Brentwood Council, as Custodian Trustee, all land and property belonging to the charity;
4. The Management Committee shall consist of 4 elected members and nine representative members and may include not more than two co-opted members;
5. the elected members shall be elected at the AGM;
6. 1 representative member shall be appointed from Thorndon Women's Institute; Herongate & Ingrave Village Preservation Society; The Church of England; the Methodist Church; Tuesday playgroup; the Girl Guides; East Horndon Manor; Brentwood Council & Ingrave Tigers Football Club. The names of representative members shall be notified by the organisations to the secretary of the Committee;
7. Co-opted members shall be appointed at a duly constituted meeting of the Committee
8. All members of the Committee shall retire from office at the end of the AGM but may be re-elected/re-appointed;
9. In event of any application for representation on the committee being received from an existing or newly formed organisation operating in the area, the Committee, upon resolution supported at a duly constituted meeting of the Committee by the votes of the majority of not less than 2/3rds of all members, allow organisation to appoint a representative member;

10. occurrence of a casual vacancy, Committee shall note this in their minute book at next meeting
11. The constitution of the Committee may on application of the Committee be altered by order of the Charity Commissioners or Secretary of State for Education and Science;
12. Except in special circumstances with approval of Charity Commissioners or Sec of State, no member of the Committee shall take or hold any interest belonging to the Charity otherwise than as trustee or receive any remuneration or be interested in the supply of work or goods at the cost of the Charity.
13. The Committee shall hold 2 ordinary meetings each year. A special meeting may be summoned at any time by the Chairman or any two members upon 7 clear days' notice being given to all other members of the matters to be discussed.
14. The Committee, after AGM, shall appoint one of their members as Chair and may appoint a Vice Chair
15. AGM to be held in March each year or as soon as practicable
16. All inhabitants of the area of 18 years or older attend and vote at the AGM
17. AGMs shall be convened by Committee Public Notice 14 days before the date of the AGM by affixing a notice to the property or in the area
18. The Committee shall present a report and accounts of the Charity at each AGM for the preceding year
19. The Committee shall cause all the buildings and other property at all times to be kept in repair and sufficiently insured against fire, theft, public liability and other insurable risks
20. After satisfying the repairs and insurance obligations, the Committee apply net income for the purposes of the charity and any surplus cash shall be invested;
21. Committee provide and keep a minute book and books of accounts. Statement of accounts shall be prepared in accordance with s32 of the Charities Act 1960 and copies thereof shall be sent to Brentwood Council;
22. Committee, with consent of Charity Commissioners or SoS, mortgage or otherwise obtain advances on the security of the trust property for maintaining, extending or improving the same or erecting any building thereon or works therein;
23. If the Committee decides on ground of expense or otherwise it is necessary or advisable to discontinue the use of the trust property in whole or part, call a meeting of inhabitants 18 plus in the area – minimum 14 days notice (stating the terms of the resolution) posted property and advertised in newspaper circulating in the area and such decision confirmed by $\frac{3}{4}$ of inhabitants present and voting at such a meeting, the Committee may LET, ALTER OR DEMOLISH the trust property or any part, subject to further provisions i.e. let money raised purchase other property approved Committee and held upon trust for the same purposes...; if decision demolition the building, grass over the site for use by inhabitants of the area.

The Trustees covenant with the Chelmsford Diocesan Board of Finance Ltd that the trustees and their successors will not redevelop the land as from the time when the existing building shall be demolished but add the land to surrounding land, present was common land, as ground for recreation, amusement, convenience and exercise of the inhabitants.

Deed dated 3 April 1979 between the then Trustees and the Council. This deed is supplemental to the Trust deed and appoints then Council as Custodian Trustee and transfers the land to the Council who act as custodian trustee of the Trust Deed, pursuant to the provisions of the Public Trustee Act 1906.

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Appendix B

Trustees of the Herongate Village Hall Notes of Ordinary Meeting held on 24.9.2012

Present: Mr Boyle (Brentwood Borough Council), Ms Collins (Ingrave Playgroup), Mr Horton (St Nicolas Church), Mr Kettle (Herongate Football Club), Mr Marsh (Herongate and Ingrave Parish Council) and Cllr Mrs Murphy (Herongate and Ingrave Preservation Society and Ward Member).

Also Present: Mrs McPherson (notes)

- 1. Introduction of those Present:** Mr Boyle welcomed those present and brief introductions were given.

The purpose of the meeting was to consider the future of Herongate Village Hall. Before any decision could be taken, the Trustees were required to hold a meeting. Few of the original trustees could be contacted. The Council had attempted to contact the relevant organisations which were listed on the trust deed to re-establish a meeting of the Trustees. Representatives from each group were invited to attend this meeting and those that were present would be co-opted onto the trustees, if agreed.

Questions were raised in relation to the Parish Council and Mr Marsh advised those present that the Herongate and Ingrave Parish Council were not in existence when the deed was drawn up. Since the Parish Council was incepted, it had been contacted several times concerning the village hall and the view of those that had contacted the Parish Council was that they did not want to see the hall go, however to repair the hall, it would have cost £120,000 6 – 7 years ago therefore the prices would have gone up now. It had been suggested to the Parish Council that a new hall be put up in it placed that would be more suitable to the village and could include space for outreach programmes, pensioner clubs etc. If the Parish Council were co-opted as a trustee, they could apply for grants to assist in the development of a new facility. It was noted that a referendum in the village should be held before any decision was made on the future use of the land. Although the Parish Council currently had no associations with the Hall, they would like to see something progressed with it.

Those present considered the representation of the Parish Council and **RESOLVED UNANIMOUSLY** to co-opt the following representatives onto the Trustees of Herongate Village:

Steve Boyle – Brentwood Borough Council
Stephanie Collins – Ingrave Playgroup
Richard Horton – St Nicolas Church
Ivor Kettle – Herongate Football Club
Alan March – Herongate and Ingrave Parish Council
Sheila Murphy – Herongate and Ingrave Preservation Society

2. **Appointment of Chairman:** RESOLVED UNANIMOUSLY to appoint Steve Boyle as the Chairman of the Trustees of the Herongate Village Hall.
3. **Herongate Village Hall – Future of the Building:** Those present were aware that the Herongate Village Hall was falling into disrepair and was considered by many to be a dangerous building. However, no survey had been undertaken to establish if the building was dangerous or not. The purpose of the meeting was to consider the future of the hall and whether it should be demolished or not.

As previously mentioned, the Parish Council had considered that the old building be demolished and a new built for purpose facility be erected in its place. At a recent meeting the consensus was that the building should be demolished as it had not been used for many years. There had been reports that slates had become loose from the roof and falling off.

It was suggested that the Parish Council take on the responsibility of the Hall from the Borough Council, with the trustees remaining, however it was noted that the Borough Council would remain as the freeholder and therefore any proposals for change would need to be considered by the Borough Council first. However, it was also suggested that if the trustees no longer wished to have involvement with the Hall the Parish Council would take responsibility for it on its own.

The Chairman advised the meeting that the current trust deed stipulated that if the hall was to be demolished the land would need to be grassed over and returned to Common Land. Therefore any proposals for another facility would need to be considered by the trustees. There would also be the issue of the covenant from the Church to take into consideration. Those present were also of the view that a referendum be held in the village before any decision was made.

Further to the discussion, the Chairman asked those present for their views on action should be taken with regards to the village hall. Taking into account the safety of the structure it was felt that the hall should be demolished.

In response to a question, the Chairman advised that all trustees would continue to be invited to all meetings of the Trustees of Herongate Village Hall.

RESOLVED UNANIMOUSLY

1. That for safety reasons Herongate Village Hall should be taken down.
 2. That the Trustees will consider any proposals put forward for the location at a future meeting.
4. **Any Other Business:** There were no items of other business.
 5. **Date of Next Meeting:** To be confirmed.

17 September 2014

Asset and Enterprise Committee

Commercialisation of Council Services

Report of: *Brett Regan – Commercialisation Programme Manager*

Wards Affected: *None*

This report is: *Public*

1. Executive Summary

1.1 Following the report of the East of England Local Government Association (EELGA) and an agreement in principle from Members to further scope and develop this work, officers have been exploring, scoping and testing potential areas of Council activity that could (in the short to intermediate term) be delivered in a commercial space with the aim of income generation.

1.2 This report performs three key functions:

- i) It outlines progress in all of the main activity areas;
- ii) It summarises the new powers available to councils to trade and generate profit in the market; and
- iii) It sets out proposals to create a Local Authority Trading Company for Brentwood.

2. Recommendation(s)

2.1 Members are asked to note operational progress in modelling and incubating services towards maturity for commercialisation;

2.2 Members are asked to agree the proposed common approach to Alternative Service Delivery models set out at Appendix A; and

2.3 Members are asked to agree in principle to create a Local Authority Trading Company (LATCO) and to refer a recommendation to Full Council for approval.

3. Background

3.1 The background and history to this work are contained in

The report to the Strategy and Policy Board of 19 March 2014 (<http://www.brentwood.gov.uk/minutesdocs/agendas/amdoc2965.pdf>) and

The minutes of the same meeting: (<http://www.brentwood.gov.uk/minutesdocs/minutes/amdoc2976.pdf>).

3.2 At that time, Members approved the development of formal commercial business models and to begin the setting up of a suitable commercialisation vehicle.

3.3 The table below outlines progress against each of the workstreams:

Work stream/ Activity	Summary of current position	Target Date Go Live	RAG
Safety and Security Service – CCTV and UAVs	<p>Imminent agreement for CCTV test project with Baytree Centre subject to final settlement;</p> <p>Testing and scoping of an innovative Unmanned Aerial Vehicle (UAV) Service for use in Property and Environmental Inspection is underway and early feedback is highly successful. Potential clients are already pressing for access.</p> <p>Charging structure under construction</p>	<p>Test project to end October 2014. Feed into Commercial Business Model with target Go Live April 2015</p> <p>Test project underway (September 2014) Training and accreditation by end 2014 in parallel with commercial business modelling for this segment</p> <p>Target Go Live by April 2015</p>	Green

Work stream/ Activity	Summary of current position	Target Date Go Live	RAG
Waste and other Depot services	<p>Initial conclusion is that domestic and trade waste substantially cross-subsidise and should be treated as a whole entity. Possible that Depot should be commercialised in whole rather than in part.</p> <p>Business modelling underway with target conclusion spring 2015.</p>	August 2015.	Green
MoT Service	Planning now agreed and a Business Model will be presented at a future Committee	Subject to Business Model	Green
Building Control	<p>Progress here is now led by external County Level consultancy project.</p> <p>Potential for Joint Commissioning in this area will require approval from Members</p>	Subject to external timetable	On-Hold
Careline	<p>Initial business case for proposal complete. (Paused subject to Service Area reorganisation.)</p> <p>This focuses on income generation through whole or part commercialisation of the Careline service and/or expansion into a commercialised end-to-end provision.</p>	Summer 2015	On-Hold

Work stream/ Activity	Summary of current position	Target Date Go Live	RAG
Website Advertising	<p>We have already concluded provisional negotiations with the Council Advertising Network (CAN) for a package of advertising including an understanding of likely income for first year;</p> <p>Joint Commissioning project now launched at County level with potential for broad partnership working and greater collective bargaining</p>	Review project complete and paper will go to Members in November subject to outcome of Joint Commissioning at County. Brentwood in advanced position	Green
Property Services <ul style="list-style-type: none"> • Acquisition of revenue generating assets • Acquisition of Investment Assets to generate revenue 	<p>Terms agreed in principle to acquire 5 residential units at Warley Trading Centre and consideration is being given to the conversion of Old House to residential to let to the private rented sector</p> <p>Approval required to acquire assets and allocate capital budget to this activity</p>	<p>Expect that Warley Trading Centre units will be contracted in November 2014 and available December 2015.</p> <p>Old House subject to necessary approvals to be deliverable December 2015</p> <p>April 2015</p>	Green

4. Issues, Options and Analysis of Options

4.1 The legal framework to allow local authorities to undertake trading activities has become more relaxed in recent years. There are specific powers contained in the Local Government Act 2003 which allow a local authority to undertake trading activity. These powers are progressively being used by local authorities to respond to changing circumstances and funding pressures.

- 4.2 It is proposed to create, in the first instance, a Local Authority Trading Company by way of an 'umbrella corporation'. Below this, a series of operationally focused, wholly-owned subsidiaries (formed on the basis of commercial business models) will control and trade in the various activity areas.
- 4.3 As they are completed over the coming months, full and detailed commercial business models for each of the activities will be presented to Members for approval along with a request for authorisation to begin trading under the auspices of the new company.
- 4.4 Attached as Appendix A to this report is a draft protocol for the business modelling process.
- 4.5 In addition, commercial property investment acquisitions could be held within the General Fund and the management either undertaken in-house or out-house as appropriate. Residential investments likewise could remain in the General Fund, however, it is recommended that the management of these assets is undertaken through a trading company structure or through a third party independent management company to reduce any risk of the market perceiving the units as being for public rather than private sector lettings.
- 4.6 Consideration needs to be given to the Governance structure of a trading company or group of companies. This is likely to evolve over a period of time. The Council will remain responsible for the supervision and monitoring of any Council functions which are discharged through a trading company, where there would be a contractual relationship between the Authority and the company.
- 4.7 Although there are a number of models available, it is suggested that the Directors of the trading company or any of its subsidiaries should be drawn from elected Members and the Senior Management Team of the Council. Directors would be accountable to the Authority as the ultimate, sole shareholder.
- 4.8 Attached as Appendix B to this report is a comparison of Company Vehicles and Structures.
- 4.9 It should be noted that it is entirely acceptable, and of practical advantage in fact, for the Council to commence trading whilst services remain in-house. Current legislation does not require the Council to create a trading vehicle before beginning to trade, though a raft of benefits and flexibilities become available once this approach is adopted (not least, the capacity to manage risk at arms length). By initially trading in-house, the Council retains the

advantage of being able to cultivate its 'family market' by providing services to other councils and public sector bodies in the first instance before widening its client base.

5. Reasons for Recommendation

- 5.1 Although Brentwood will by no means be the first Local Authority (or Public Body) to pursue this as an option for delivering services, it is worth reiterating the key practical advantages to taking this course in the particular circumstances of Brentwood.
- 5.2 This solution provides the greatest market flexibility to our services and, in doing so, maximises income generating potential. Enabling legislation has now moved us from a highly constrained position to one which provides us with broad flexibility to generate income in a variety of markets.

6. References to Corporate Plan

- 6.1 A Modern Council: Between 2013 and 2016 the way the Council looks and works will be transformed. We will make it easier for customers to access services and information, cut out bureaucracy that doesn't add value and make sure taxpayers' money is even more wisely spent. We will become more entrepreneurial. We will have services delivered by those best placed to deliver excellence and value-for-money, whilst holding onto and enhancing our role, duties and powers as local council and community leader.

7. Implications

Financial Implications

Name & Title: Jo-Anne Ireland – Acting Chief Executive and s151 Officer
Tel & Email: 01277 312712 / jo-anne.ireland@brentwood.gov.uk

- 7.1 It is prudent for the Council to explore entrepreneurial opportunities, as part of a wider business transformation programme. Entrepreneurial activity is in line with the Council's New Ways of Working approach and the vision and priorities set out in the Corporate Plan 2013-16. It is an essential element of the Council's approach to filling the budget gap.
- 7.2 Start up costs will be identified as part of the commercial business modelling.

Legal Implications

Name & Title: Alison Stuart – Deputy Monitoring Officer
Tel & Email: 01277 312774 / alison.stuart@brentwood.gov.uk

7.3 There are no legal implications at the present time but resource will be required to monitor and assure this process in terms of both vires and eventually procurement laws.

8. Background Papers (include their location and identify whether any are exempt or protected by copyright)

- Minutes of Strategy and Policy Committee Meeting (19 March 2014)(available on line with links above);
- 'Commercial Opportunities – Investigation of Options for Brentwood Borough Council' (available via the Council's Website)

9. Appendices to this report

Appendix A – Protocol for considering Alternative Service Delivery models

Appendix B – Comparison of Company Vehicles and Structures

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POSSIBLE ALTERNATIVE SERVICE DELIVERY MODELS - PROTOCOL

1.0. Introduction

- 1.1. When considering alternative service delivery models as a method of delivering sustainable long term services to the public/clients then a full and thorough option appraisal exercise must be undertaken. A report including details of this process and the recommended model emanating from the work will be subject to the administration's approval.
- 1.2. Prior to commencement, the administration should produce a brief for consideration which provides evidence of how the proposal will support delivery of the Council's corporate objectives.

2.0. Step 1 – Feasibility Study

- 2.1. A Task and Finish Group (TFG) consisting of key stakeholders should be established to consider options.
- 2.2. The purpose of this TFG will be to undertake a feasibility study to analyse and evaluate the potential of each of the different models and make recommendations to Committee. This will be based on robust investigation and research, leading to an evidence based decision.
- 2.3. The feasibility study should be conducted with an objective and unbiased approach to provide information upon which decisions can be based. Feasibility studies precede technical development and project implementation.
- 2.4. The feasibility study should aim to:
 - Objectively and rationally uncover the strengths and weaknesses of an existing service model and proposed models
 - Consider opportunities and threats as presented by the environment
 - Identify the resources required to carry through and ultimately the prospects for success
 - Identify cost required and value to be attained
 - Provide a historical background of the service, description of the service, accounting statements, details of the operations and management, marketing research and policies, financial data and legal requirements.

3.0. Step 2 - Options Appraisal Activity

- 3.1. Clear and concise objectives must be established to determine the scope of the option appraisal exercise and full consultation undertaken with all stakeholders including employees..

3.2. It is essential that a comprehensive and rigorous assessment of the option(s) is undertaken to determine how it can modernise and/or enhance service provision, the types of benefits achievable, impact on the local area and whether the option is sustainable. This should include independent challenge through the Alternative Trading Models. External contribution and challenge may be appropriate dependant on the service.

3.3 There are a number of key influencing factors which will need to be considered in the assessment, including:

- Bench marking data - including performance, quality, time and costs
- Review of resourcing overhead – including assessment of controllable and non-controllable budgets
- Future trends, legislation, developments etc

In addition, an impact assessment will need to be included to consider the following:

- Council influence and control
- Pension considerations
- Procurement considerations
- Impact on other Council services if the model is implemented e.g. the domino-effect
- Potential impact on jobs in the area
- Access to social investments and grants
- Impact on current staff in the service
- Impact on customers and service users
- Ability to trade services to other authorities
- Ability to trade services to other public bodies i.e. NHS and/or private companies and consumers

3.4. Current common delivery models options are:

1. Retaining services in-house, but on a more cost effective basis (benchmarked)
2. Wholly Owned Trading Company
3. Social Enterprise
4. Externalisation/Outsourcing
5. Hybrid e.g. externalisation of function sub contracted to the Council

Note - there may be other options that the Council would wish to explore.

3.5. The below Alternative Service Delivery Models provides information regarding the options and their potential impact. Services may consider the options listed sequentially or run these in parallel. This means that it is not appropriate to look

for example at model 3 without first considering models 1 and 2 but this work can be undertaken in parallel.

- 3.6. In all instances the first consideration must be given to delivering the service in house, but on a more efficient and cost effective basis. If this is the only option under consideration then there is no requirement to do a full option appraisal on the other 3 models.
- 3.7. This stage will provide services with vital information on the benefits, economic, social and environmental impacts of the proposals which will form the basis of the option appraisal report.

4.0. **Step 3 – Option Appraisal Report**

4.1. The option appraisal assessment and report should cover the following areas:

1. Scope - how the option meets strategic objectives.
2. Accountability and participation - the implications of implementing the change in terms of accountability, transparency. This should include user, employee and trade union involvement and views
3. Financial implications - costs and benefits
4. Economic case – including market sector analysis
5. Commercial case – including marketing and growth strategy
6. Quality of service - impact on service delivery and performance
7. External impact - impact on community access to service, viability of future service provision; etc
8. Internal impact - impact on the provision of other Council services
9. Employee implications - number of affected employees, whole or part service change, etc.
10. Management case - management responsibility/contract management roles and responsibilities
11. Risk assessment
12. Recommendations and preferred option

5.0. **Step 4 – Consultations and Approval Process**

5.1. Prior to submitting the report for approval of the proposal, the following must be ensured:

- Stakeholders have been involved from the outset and if they are not in agreement to the proposal, they have the opportunity to have their comments appended to the report
- Sufficient time is factored in to properly consult the affected employees

- Sufficient time is allocated to properly consult with other service managers who will be affected by the proposals e.g. Finance, Human Resources, Legal Services, etc
- Submit the report to Senior Management Team for consideration prior to seeking approval from the Administration

6.0. Changes to Working Practices Resulting from Alternative Service Delivery Models

- 6.1. The agreed framework should then be followed in cases where changes to working practices also required as part of the new service delivery model.
- 6.2. The proposed changes to working practices and the impact of these on the workforce should be detailed in the report seeking approval to implement the new service delivery model.

Alternative Service Delivery Models (Options and Impact)

Trading Models	Retaining Service In-House	Wholly Owned Trading Company	Social Enterprise	Externalisation/ Outsourcing
	Impact assessment	Impact assessment	Impact assessment	Impact assessment
Council Influence and Control	Yes – as is	Yes – the company remains a Council-owned company, so controlled by the Council	Partial – influence predominately through contract management funding and performance arrangements	Through contract management only
Pensions considerations	Unaffected – though redundancies may have an impact on the Council balance	Unaffected – staff either TUPE-ed or secondment/subcontracted and pension access retained	Impact on Council deficit to be indemnified. Increased contributions possibly payable by new organisation	To be resolved in any TUPE transfer negotiations. Commonly pension access not retained.
Procurement considerations	None - unless any specific services to be outsourced.	No procurement issues if set up as a 'Teckal company'; same as an independent social enterprise is looking to deliver more services outside of the Council	Initial contract on a single tender basis is believed to be defensible; followed by open procurement on contract renewal (if applicable)	Open procurement process to be conducted
Implications for other Council Services e.g. central support functions (IT, Finance, HR etc)	Would remain as is - recharges would reduce pro-rata in line with any redundancies	Would remain in place - a service level agreement would be advisable to enable close monitoring of organisation 'costs'	Can be bought in with a service level agreement. Services can alternatively be sourced from outside the Council	Would cease to be needed for these services - Council to absorb costs elsewhere in the Council or to make associated cuts in central functions
Potential impact on jobs in the area	Negative/Neutral - reduced competitiveness will equate to job losses, unless delivery of the service in house is on a more cost efficient and effective basis. i.e. introduction of changes to working practices	Neutral/Positive – if growth is sufficient to generate new posts	Positive/Negative - if successful, new organisation will be a recruiting employer if not job losses in the borough	Neutral - Council work will either be delivered by TUPE-ed staff or additional jobs / hours will be available through private care agencies.
Access to social investment and grants	No	No – seen as part of the Council, so not eligible	YES - further MSF grant to develop proposals, range of other social Investment / grants for social enterprise	No
Impact on current staff in the service	Retain Terms and Conditions or implement revised. Risk of redundancies if services cut. Morale negatively hit - fear for jobs if positive changes not made	TUPE transferred / or secondment / sub contract. Morale may increase temporarily as seen as a safer future.	TUPE-transfer on existing Terms and Conditions. Morale may improve as opportunity to shape the new organisation takes hold	Either TUPE transferred or redundancies. Morale negatively hit - few if any are positive about working for private agencies
Impact on customers and service users	No change/potential for improvement	No change/potential for improvement	Customers will have representative seat on the Board, thereby directly influencing the SE's direction	Influence likely to be reduced
Ability to trade services to other authorities	Yes – but restricted by capacity and desire to operate outside of core geography	Yes - if established as a Teckal company, limited to 10% turnover being outside Council	Yes - restricted only by what supports the stated mission of the organisation	N/A
Ability to trade services to other public bodies	No	In part –if established as a Teckal company then external income is restricted to 10%	Yes - restricted only by what supports the stated mission of the organisation	N/A

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Appendix B

COMPARISON OF COMPANY VEHICLES AND OTHER STRUCTURES ETC

Legal structure	Summary: most typical features	Ownership, governance and constitution	Is it a legal person distinct from those who own and/or run it?	Can its activities benefit those who own and/or run it?	Assets “locked in” for community benefit?	Can it be a charity and get charitable status tax benefits?
Limited company (other than Community Interest Company) www.companieshouse.gov.uk	Most frequently adopted corporate legal structure; can be adapted to suit most purposes.	Directors manage business on behalf of members. Considerable flexibility over internal rules.	Yes; members’ liability limited to amount unpaid on shares or by guarantee.	Yes (but no dividends etc to members if it is a company limited by guarantee).	Would need bespoke drafting in articles (which could be amended by members).	Yes if it meets the criteria for being a charity.
Industrial & Provident Society (IPS) (Co-operative)	For bona fide co-operatives that serve members’ interests by trading with them or otherwise supplying them with goods or services.	Committee / officers manage on behalf of members. One member, one vote (regardless of e.g. sizes of respective shareholdings).	Yes; members liability limited to amount unpaid on shares.	Yes, but should do so mostly by members trading with society, using its facilities etc, not as a result of e.g. shareholdings .	Would need bespoke drafting in articles (which could be amended by members).	No – would have to be constituted as community benefit type of IPS.
Community interest company (CIC) www.cicregulator.gov.uk	New “off-the-peg” limited company structure for social enterprise with secure “asset lock” and focus on community benefit.	As for other limited companies, but subject to additional regulation to ensure community benefits.	Yes; members’ liability limited to amount unpaid on shares or by guarantee.	Yes, but must benefit wider community as well. Can pay limited dividends to private investors.	Yes, through standard provisions which all CICs must include in their constitutions.	No, but can become a charity if it ceases to be a CIC.
Trust	A way of holding assets so as to separate legal ownership from economic interest.	Assets owned by trustees and managed in interests of beneficiaries on the terms of the trust.	No: trustees personally liable.	Trustees/ directors no, unless trust, court or Charity Commission permit.	Yes (if trust established for community benefit).	Yes if it meets the criteria for being a charity.

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Members Interests

Members of the Council must declare any pecuniary or non-pecuniary interests and the nature of the interest at the beginning of an agenda item and that, on declaring a pecuniary interest, they are required to leave the Chamber.

- **What are pecuniary interests?**

A person's pecuniary interests are their business interests (for example their employment trade, profession, contracts, or any company with which they are associated) and wider financial interests they might have (for example trust funds, investments, and asset including land and property).

- **Do I have any disclosable pecuniary interests?**

You have a disclosable pecuniary interest if you, your spouse or civil partner, or a person you are living with as a spouse or civil partner have a disclosable pecuniary interest set out in the Council's Members' Code of Conduct.

- **What does having a disclosable pecuniary interest stop me doing?**

If you are present at a meeting of your council or authority, of its executive or any committee of the executive, or any committee, sub-committee, joint committee, or joint sub-committee of your authority, and you have a disclosable pecuniary interest relating to any business that is or will be considered at the meeting, you must not :

- participate in any discussion of the business at the meeting, or if you become aware of your disclosable pecuniary interest during the meeting participate further in any discussion of the business or,
- participate in any vote or further vote taken on the matter at the meeting.

These prohibitions apply to any form of participation, including speaking as a member of the public.

- **Other Pecuniary Interests**

Other Pecuniary Interests are also set out in the Members' Code of Conduct and apply only to you as a Member.

If you have an Other Pecuniary Interest in an item of business on the agenda then you must disclose that interest and withdraw from the room while that business is being considered

- **Non-Pecuniary Interests**

Non –pecuniary interests are set out in the Council's Code of Conduct and apply to you as a Member and also to relevant persons where the decision might reasonably be regarded as affecting their wellbeing.

A 'relevant person' is your spouse or civil partner, or a person you are living with as a spouse or civil partner

If you have a non-pecuniary interest in any business of the Authority and you are present at a meeting of the Authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest whether or not such interest is registered on your Register of Interests or for which you have made a pending notification.

Asset and Enterprise Committee Terms of Reference

General Powers of Committees

This scheme of delegation sets out the functions of the Council to be discharged by its Committees and Sub- Committees and includes the terms of reference of statutory and non statutory bodies set up by the Council.

Each committee or sub committee will have the following general powers and duties:

- (a) To carry out the duties and powers of the Council within current legislation;
- (b) To comply with the Council's standing orders and financial regulations;
- (c) To operate within the budget allocated to the committee by the Council.
- (d) To guide the Council in setting its policy objectives and priorities including new initiatives, and where appropriate make recommendations to Council
- (e) To develop, approve and monitor the relevant policies and strategies relating to the Terms of Reference of the Committee;
- (f) To secure satisfactory standards of service provision and improvement, including monitoring of contracts, Service Level Agreements and partnership arrangements;
- (g) To consider and approve relevant service plans;
- (h) To determine fees and charges relevant to the Committee;

Asset and Enterprise Committee

The functions within the remit of the Asset and Enterprise Committee are :

- 1) To manage any lands or property of the Council and provide strategic property advice relating to the Council's Housing Stock

The Council's Asset Management Plan

- 1) The acquisition and disposal of land and property and taking of leases, licenses, dedications and easements.

- 2) The granting variation renewal review management and termination of leases licenses dedications and easements
- 3) Promoting the use of Council owned assets by the local community and other interested parties.
- 4) To manage any lands or property of the Council;
- 5) To include properties within the Council's Asset Management Portfolio including Halls etc.
- 6) To take a strategic approach to asset management, ensuring that the use of all of the Council' s Property assets achieves Value for Money and supports the achievement of the Councils corporate priorities.
- 7) To review the Corporate Asset Management Plan annually.
- 8) The acquisition of land in advance of requirements for the benefit, improvement or development of the Borough.
- 9) Disposal of land (including by lease) surplus to the requirements of any Panel or Committee.
- 10)Appropriation of land surplus to the requirements of a Committee.
- 11)Promote the use of Council owned assets by the local community and other interested parties where appropriate
- 12)Property and asset management, including acquisitions and disposals not included in the approved Asset Management Plan.

Enterprise

- 1) To take a strategic approach to commercial activity, both existing and new, ensuring the council realizes revenue generation opportunities and supports the achievement of the Council's corporate priorities.
- 2) Promoting a culture of entrepreneurialism and building the required skills and capacity.
- 3) To consider, and approve, business cases and commercial business plans for commercial activity.