

Agenda Item No:

Report to: Overview and Scrutiny (Services)

Date of Meeting:

Report Title: Accommodation for Voluntary Sector Organisations in the Town

Report By: Monica Adams-Acton
Head of Regeneration and Community Services

Purpose of Report

To provide a progress report to the Overview and Scrutiny (Resources) Committee on accommodation for voluntary sector organisations displaced by the town centre redevelopment.

Recommendation(s)

1. The Committee note the report

Reasons for Recommendations

No decision required

Background

1 The future displacement of a number of voluntary sector organisations was considered by the Overview & Scrutiny (Services) Committee. The Committee considered its final report in March 2007 and drew the following conclusions:

"The concept of a community base is well supported and a core of agencies appear willing to be part of a voluntary sector base

These core agencies already pay significant rents (£63K per annum) that could begin to make an economic case for the project.

Hastings Trust has experience of similar developments and may be interested in taking a leadership role.



The regeneration of the Priory Quarter and the lack of DDA compliance in existing buildings appear to be adding a sense of urgency to a project, seen by some as long awaited."

This report provides a short summary of the Council's actions in support of some of the organisations to be displaced by town centre redevelopment

2 Action

Working primarily with Hastings Trust and HVA, a bid was submitted for Community Assets Programme funding with the eventual intention of establishing a community base in Jackson Hall, a Council owned property.

The Community Assets Programme has approved, in principle, a grant of £748,152 for the conversion of Jackson Hall, subject to the transfer of this asset to a Third Sector organisation, and final approval of a Capital Delivery Plan.

Approval in principle to the asset transfer was agreed at Cabinet on 9th September 2008 and the report is attached at appendix A

3 Conclusion

This will provide a secure base not only for HVA but for a range of other, small organisations.

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	No
Environmental Issues	No
Economic/Financial Implications	No
Human Rights Act	No
Organisational Consequences	No

Supporting Documents

Appendix A - Cabinet report 9th September 2008 and appendix to that report



Officer to Contact

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Appendix A

Agenda Item No:

Report to: Cabinet

Date of Meeting: 9th Sept 2008

Report Title: Jackson Hall Asset Transfer

Report By: Monica Adams-Acton, Head of Regeneration
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Purpose of Report

To seek formal approval for the transfer of Jackson Hall to the community/voluntary sector

Recommendation(s)

1. That Cabinet agree to the transfer of Jackson Hall to either Hastings Trust or Hastings Voluntary Action on a long lease for a peppercorn rent
2. That officers make the appropriate arrangements to satisfy the requirements of the Big Lottery Fund.

Reasons for Recommendations

The Community Assets Programme has approved, in principle, a grant of £748,152 for the conversion of Jackson Hall, subject to the transfer of this asset to a Third Sector organisation, and final approval of a Capital Delivery Plan. This transfer needs to be agreed at Cabinet level prior to submission of the Capital Delivery Plan on 25th September 2008.

Work will need to commence by June or July 2009, and preferably be completed by summer 2010.

Background



Previous Decisions

1. On 9th June 2008 Cabinet agreed to appoint professional advisors to draw up a costed Capital Delivery Plan for the refurbishment of Jackson Hall. This work is in progress.

Background

2. This followed a successful bid to the government's Community Assets Programme, and an in-principle award of £748,152 capital grant, which can fund renovation and conversion costs, but not transfer / acquisition costs related to the project.
3. It is a requirement of the grant that the building be transferred, on completion of the works, to the Third Sector. It is envisaged that this will be a partnership of Hastings Voluntary Action and Hastings Trust (led by HVA), through a 30-year full repairing lease at a peppercorn rent.
4. Jackson Hall was valued in 2007 by the Borough Estates Officer at approximately £140,000 if sold for office use. If the site were cleared and sold with planning permission for residential use, its net value is estimated at £250,000 (this takes into account demolition costs). This does not take into account recent weakening in the property market.

Design & construction proposals

5. The main change envisaged is the conversion of the garage for community use, with a mezzanine floor (subject to cost - this could be a second phase). The brief includes sustainable heating and renewable energy systems, and a lift to all levels to ensure DDA compliance.
6. Planning permission will be required for change of use to community and office uses, and in relation to external works.
7. A costed feasibility study is currently being undertaken by AJK architects. Some flexibility is being built in to allow for phasing of works if the requirements exceed the funding available, with a second phase funded by money raised by the third sector.
8. HBC will be responsible for managing the main construction phase prior to handover. If construction costs overrun the budget once construction starts, options to be considered include: reducing the specification; HBC recouping extra costs by raising the rent levels; and/or extra costs being covered by the third sector through grants or borrowing. A contingency sum will in any case be built in to the programme budget.

Lease arrangements and other agreements with Third Sector Partners

9. Hastings Voluntary Action will be the prime users of the building, with sub-lets to at least three developed not-for-profit organisations, and six new or start-up Third Sector groups. Tenants will pay an affordable rent to be set within the business plan currently being developed. This will cover maintenance and management costs, and will also represent an income to help the Third Sector in Hastings be more independent and sustainable. This sector is adversely affected by the redevelopment proposals for Priory Quarter, and the general shortage of affordable accommodation in and around Hastings Town Centre.
10. Discussions are in progress to determine whether Hastings Trust or HVA will be the head leaseholder. The lease terms should not prohibit assignment from one to the other at some point in the future.
11. The Big Lottery Fund require a Deed of Dedication committing the Council to completing the transfer, a partnership agreement between HBC and HVA/Hastings



Trust covering future use, management arrangements and responsibilities, and draft lease. HVA and Hasting Trust are also developing a 5-year business plan for the building.

Tressell Training

12. Tressell Training currently occupy the main Jackson Hall premises. It is envisaged that building works can start on the garage, not used by Tressell, by the June 2009 deadline for starting construction.

13. Discussions are currently in progress with Hastings College with a view to the transfer of Tressell to the College and accommodated in College owned premises, or elsewhere. It is envisaged that this will lead to a practical plan for relocation in the latter part of 2009.

Key milestones

14. Sept 25th 2008	– complete and submit capital delivery plan – submit planning application
January 2009:	Confirmation of grant
June/July 2009:	Commence building works
August 2010:	Proposed practical completion
June 2011:	Community Assets Programme deadline for final completion

Policy Implications

15. Policy implications include (This is not marked in the Formatted “Policy Implications” section because the report template disallows editing of this section.)

Wards Affected

Ashdown, Baird, Braybrooke, Castle, Central St. Leonards, Conquest, Gensing, Hollington, Maze Hill, Old Hastings, Ore, Silverhill, St. Helens, Tressell, West St. Leonards, Wishing Tree

Area(s) Affected

Central Hastings, East Hastings, North St. Leonards, South St. Leonards

Policy Implications

Please identify if this report contains any implications for the following:

Hastings Borough Council is demonstrating its strong commitment to the community and equalities through its support for the Third Sector and through the adaptation of Jackson Hall to ensure DDA compliance.

The refurbishment of Jackson Hall includes sustainable heating and renewable energy systems.

Financial implications are discussed in the report.

Risk Management implications are summarised in a Risk Assessment at Appendix 1.

Equalities and Community Cohesiveness	Yes
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	Yes
Economic/Financial Implications	Yes
Human Rights Act	No



Organisational Consequences

No

Supporting Documents
Appendix - risk assessment

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APPENDIX 1: Risk Assessment (risk to HBC)

Risk	Risk level H/M/L	Risk reduction (reducing risk level)	Impact level H/M/L	Impact mitigation (reducing the negative impacts if the risk occurs)
1. Inability to find alternative premises for Tressell Training	L	Continue discussions with College; explore alternatives; have plan in place before major expense committed at start of building works	H	Consider potential for Tressell to continue activities as a subtenant at Jackson Hall or elsewhere. (See also no.6 below)
2. Feasibility study indicates likely costs higher than grant	H	Architect briefed to expect this, and to consider phasing options. HT & HVA considering extra funding sources	L	Reduce specification, and consider phased approach with 2nd phase funded by further funding applications in due course.
3. Tenders come in over budget	M	Extra contingency on top of normal project contingency built in to accommodate this	L	Reduce specification, and/or phase works as above.
4. Unforeseen construction costs	M	Recent structural survey did not identify major risks		Project contingency budget. Revise specification. HBC meet cost and recover by raising rent; 3rd sector meet cost through charitable grants or loans
5. Planning permission refused	L	Early discussions with Planners. Main activity will be same as previous use for HBC offices; can consider reducing usage	H	Refusal will compromise deliverability of the project; £35,000 preliminary grant may be clawed back
6. Delays in construction process	L	Careful project planning, build in time contingency	L	Grant provides for 2-year build programme. If programme likely to exceed this, negotiate extension with Lottery.
7. Third Sector partners prove not to have capability to manage building	L	Partners are seeking support from Development Trusts Association and Sea Space	M	Extra support from HBC Estates and/or projects depts.



8. Inability of HVA as prime tenants and operators to find tenants and hence meet output targets	L	HVA have identified several organisations looking for premises	L	Revise business plan to reduce rent levels (this can be considered as building not encumbered by debt) (See also 9 below)
9. Clawback by funders in the case of project not achieving outputs	L	Management and monitoring processes in Partnership agreement. Provision in transfer agreement for HBC to repossess in these circumstances	H	Repossession and possible resale of building

