

Services to Communities: Property Rationalisations

Report by John Blair, Director Resources and Mary Smith, Director of Education, Communities and Economy

1 Purpose of Report

This report has been prepared to update the Council regarding the work being carried out in the Newtongrange and Mayfield areas in the context of the Services to Communities review and to seek approval to close Newbattle Pool and Mayfield Leisure Centre upon the opening of the Newbattle Community Campus in spring 2018.

Furthermore, this paper advises that a report on the regeneration of Newtongrange Town Centre will be presented to a future meeting of the Council and that report will outline proposals for other property rationalisations in the Newtongrange area.

2 Background

2.1 Council Meeting 25 June 2013

At its meeting on 25 June 2013 the Council considered a report on the Newbattle Community High School Replacement. The Council approved the following recommendations:

- (a) To approve Option B in the report, as amended, as follows:-*
 - (i) New build school plus enhanced facilities; and*
 - (ii) The retention of Gorebridge Leisure Centre, Gorebridge Library, Newtongrange Leisure Centre, Newbattle Community Learning Centre, Newtongrange Library in their existing locations;*
- (b) To agree to the provision of £15.322M in the General Services Capital Plan this being the capital contribution injection into the private sector SPV and the maximum projected amount per ESA 95 regulations;*
- (c) To agree in principle to support the injection of £1.135M into the private sector SPV subject to further detail on the specific risks and rewards inherent in this investment being brought forward to a further meeting of Council;*
- (d) To instruct the Director, Education, Communities and Economy to continue working in partnership with the local communities to address regeneration opportunities; and*
- (e) To agree to receive a further report outlining detailed proposals for the wider regeneration of the area aimed at improving outcomes*

across each neighbourhood in partnership with local community groups and key Stakeholders.

In this report the Director Education and Children's Services also made the following recommendations which were rejected by Council:-

- “(iii) The closure and demolition of Newbattle Swimming Pool and relocation to the new Newbattle Community High School;*
- (iv) The closure and potential community asset transfer of Mayfield Leisure Centre to the new Newbattle Community High School;*
- (v) The closure of Mayfield Library with the retention of the building for use by Mayfield and St Luke's Primary School with a satellite provision for early year's literacy to be provided by the Library staff at the new Library which would be relocated to the new Newbattle Community High School.”*

2.2 Services to Communities Review

The recommendation approved by the Council in respect of the wider regeneration of the area has been taken forward through the Services to Communities review, which is part of the Council's Business Transformation Programme. Progress with this review is reported regularly to the Business Transformation Steering Group (BTSG) with any recommendations reported to Council for approval.

The Services to Communities work stream was initiated in May 2014 with the reporting of the project definition document to BTSG. The original remit and activity of the Services to Communities work stream focused on proposed savings in three areas:

- review of grants to communities;
- service redesign of the community learning and development service;
- property rationalisation.

Updates on the Services to Communities work stream have been included on an ongoing basis at subsequent BTSG meetings. The first two elements of the review were concluded and implemented by 2016.

The third element, property rationalisation, remains under consideration and originally this strand was assessed as having the potential to achieve approximately £850,000 savings from the rationalisation of Council buildings at Danderhall and Newtongrange, with Mayfield Leisure Centre also forming part of the property rationalisation considerations.

From October 2016, the updates have specifically referred to the fact that the locations for the property rationalisation relate to the Shawfair and Newbattle developments. Later reports have included and specified the Danderhall and Newtongrange property rationalisations. A separate report will be presented to Council in relation to the provision at Danderhall in the context of the wider Shawfair development.

In addition as part of the 2017/18 budget, the Strategic Leadership Group identified two further phases of work which are the review of Welfare Rights and a further phase of the review of grants to communities.

The following table summarises extracts of Highlight Reports from the Services to Communities Board, which were presented to the Business Transformation Steering Group in the period from July 2014 to February 2017. Members should note that updates were provided to all meetings of the BTSG.

BTSG meeting	Comments/Updates regarding Property Rationalisation
31 July 2014	Scope of work stream currently under development
5 October 2015	Any decisions on property rationalisation will be aligned to the services we shape and design working with and engaging with our communities. Services to Communities – The savings associated with reshaping services have been re profiled from 2017/18 to 2018/19 onwards.
29 August 2016	Whilst Board understand that any decisions on property rationalisations must be aligned to the services we shape and design working with our communities a discussion on the impact on savings targets is recommended.
10 October 2016	Whilst Board understand that any decisions on property rationalisations must be aligned to the services we shape and design Working With Our Communities. The provision of Shawfair, Newbattle will have an influence on the current discussion.
9 January 2017	Decisions on property rationalisation need to be aligned to the services we shape and designed working with our communities. The locations for this rationalisation are Danderhall and Newtongrange.
27 February 2017	Decisions on property rationalisation need to be aligned to the services we shape and designed working with our communities. The locations for this rationalisation are Danderhall and Newtongrange. Impact regarding Shawfair and new Newbattle will be key factors for consideration.

Savings targets associated with the Services to Communities review have featured in previous years Financial Strategy reports and have been incorporated into previously approved budgets. For example, the 2015/16 to 2017/18 Financial Strategy report to Council on 16 December 2014 set out a savings targets of £50,000 rising to £950,000 in 2017/18. The final 2017/18 to 2021/22 Financial Strategy report to Council on 7 February 2017 incorporated savings targets of £200,000 for 2017/18 rising to £1.050 million thereafter. The savings targets for the property rationalisation strand have been reprofiled over that period as a consequence of the delay to the new Newbattle Centre as a result of issues surrounding European funding rules (ESA 10) which has impacted on the construction of the Newbattle School (Now named Newbattle Community Campus) by approximately eighteen months.

The work of the Services to Communities work stream has informed the wider Business Transformation Programme which, in turn, has fed through into the

proposals contained within the Council's Financial Strategy, which is currently the subject of public engagement.

- 2.3** The Council at its meeting on 7 February 2017 was advised of transformation savings as set out in the following table:

Council Transformation Programme Additional Savings –

	2017/18	2018/19	2019/20	2020/21	2021/22
	£m	£m	£m	£m	£m
Children's Services	0.532	0.806	0.867	0.867	0.867
Services to Communities	0.200	1.050	1.050	1.050	1.050
Education	0.329	0.755	0.790	0.790	0.790
Customer Service	0.175	0.175	0.175	0.175	0.175
Health and Social Care	1.555	2.555	2.555	2.555	2.555
Totals	2.791	5.341	5.437	5.437	5.437

The report noted that savings targets set out in the table above exclude those already reflected in the 2016/17 approved budget and are predicated on the outcomes of the reviews and any subsequent decisions taken by Council and so remained indicative.

At the February 2017 meeting, the Council formally approved the 2017/18 budget and set the Council Tax for 2017/18.

Current Position

In respect of the 2018/19 to 2021/22 financial years, the Financial Strategy report to the Special Council meeting on 10 October 2017 outlined a savings target for 2018/19 for the Services to Communities Transformation Programme of £850,000 (representing the £1,050,000 reported in the 7 February 2017 report, less the £200,000 already incorporated in the 2017/18 approved Council budget). This report once again noted that the savings targets are predicated on the outcome of the reviews and any subsequent decisions taken by Council and so remain indicative targets. Accordingly, this savings target comprises the following components:

Property Rationalisation			Notes
• Newbattle Swimming Pool	£244,500		(i)
• Newtongrange Library	£67,000		
• Danderhall Leisure Centre	£165,000		(ii)
• Mayfield Leisure Centre	£137,000		(ii)
Sub Total	£613,000	£600,000 [Rounded]	
Further review of grants to communities		£150,000	(iii)
Review of the Welfare Rights Service		<u>£100,000</u>	<u>(iv)</u>
		<u>£850,000</u>	

Notes:

- i. A more detailed breakdown of the property budgets is outlined in appendix 1 to this report.
- ii. The inclusion of Mayfield Leisure Centre has arisen separately from the original Services to Communities work stream that previously referred to properties at Danderhall and Newtongrange.
- iii. The figure of £150,000 savings from the further review of grants is included within the Change Programme reported to Council on 10 October 2017 and is included in the above table for completeness.
- iv. The figure of £100,000 savings from the review of the Welfare Rights Service is also shown as a separate proposal in the Financial Strategy, however, this has been included in the above table for completeness.

2.4 Business Transformation Steering Group 4 December 2017

At the Special meeting of the Business Transformation Steering Group held on Monday 4 December 2017, the following recommendation was approved by Members present following consideration of a report entitled Business Transformation Programme – Services to Communities by the Director Education, Communities and Economy dated 20 November 2017.

It is recommended that Business Transformation Steering Group

- *Notes the current position in relation to the ongoing assessment of proposals to rationalise property at Danderhall, Newtongrange and Mayfield.*
- *Agrees that Council be asked to make a final decision at an early date on the chosen location for the new Shawfair secondary school.*
- *Agrees that Council be asked to confirm at an early date the closure of the Newbattle Pool and Mayfield Leisure Centre at the point of the opening of the pool at the new Newbattle Centre.*
- *Agrees that Council be asked to make final decisions on other property rationalisations at Newtongrange when it considers the report and recommendations of the Newtongrange Town Centre master planning work.*
- *Require further regular update reports on those and any other property rationalisation matters.*

2.5 Additional Information

In preparing this report the Director Resources requires to notify Council that the further report as required by the Council at its meeting on 25 June 2013 regarding “the wider regeneration of the area aimed at improving outcomes across each neighbour in partnership with local community groups and key stakeholders” has not been brought forward to the Council. Moreover, the property rationalisation savings identified for 2018/19 as part of the Services to Communities review should have been clearly specified as part of the Change Programme proposals considered at the Special Council meeting on 10 October 2017.

Accordingly, the Chief Executive apologised for this position at the Business Transformation Steering Group. This apology is extended to the full Council.

Therefore, this report addresses that outstanding issue and details the significant work that is ongoing in both the Mayfield and Newtongrange areas. Members should note that there are no property rationalisation proposals in respect of Gorebridge and that the Director Resources will report separately on the progress of the Gorebridge Beacon project in the New Year.

Property Rationalisation at Mayfield

This concerns the future of the Mayfield Leisure Centre building, once the facilities it currently offers transfer to the new Newbattle Community Campus in 2018. A local community group, Mayfield In It Together, have been working with Council officers in looking to prepare plans for the regeneration of Mayfield town centre. The group has dismissed the option of seeking community asset transfer of the current leisure centre building. The group considers that a budget of £80,000 to £100,000 would be needed for a master planning exercise for the town centre and have been successful in a bid to the Borders Rail Blueprint Fund for £40,000. Other matched funding is being sought and Council officers will continue to support the In It Together group to seek other sources of funding.

It should be noted that the current Mayfield Library provision will relocate to the new Newbattle Community Campus.

Newtongrange Town Centre Master Planning

Members will be aware of a current master planning programme of activity being undertaken at Newtongrange town centre which is due to report in the first quarter of 2018. Central to that work is the level of public engagement and the impact of the working of the group comprising representatives of the Community Council, the Church of Scotland, Castle Rock Housing Association and Council officers.

The Newbattle community building at Gardiner Place, Newtongrange Leisure Centre and Newtongrange Library also form part of the overall assessment.

A clearly defined product of that activity will be a finalised masterplan, which includes facilities for the community within the town centre which meet the projected requirements rather than duplicate the facilities at the new Newbattle Community Campus.

At a practical and operational level, to ensure that the necessary staffing deployments can be made in advance of the opening of the new campus, it is crucial that the future of Newbattle Pool now be determined.

3 Newbattle Community Campus

3.1 Campus Facilities

As reported to Council on 7 February 2017 the Newbattle Community Campus is scheduled to open in spring 2018.

The new campus is a multi service building offering the community modern access to facilities including a High School, Library, Café, Swimming/ Diving Pool, Two dance studios, 3 sports halls (The main hall splits into two halls), tone zone and meeting spaces. Externally the facility will provide access to a new state of the art 3G football pitch alongside the current grass pitches which can be lined in the summer months to provide access to a running track.

Due to the combined setting the shared services approach will allow the community to have access to areas within the school such as the halls and other areas of teaching accommodation outside school hours. This offers great opportunity for the communities to take advantage of spaces within the school such as the assembly hall and atrium area to host events such as Community Cinema evenings, Holiday Clubs, Community Learning and use of meeting space in the evenings.

The Library will also follow a similar model to Loanhead Centre where the Library is open in line with Leisure centre opening times. This is possible due to the self-check in / return terminals, which mean that the library does not require to be manned beyond the current staffing hours. At Loanhead Centre this has led to an increase in footfall from 2,000 to 10,000 per month.

The facility has good public transportation links from the Communities of Gorebridge, Newtongrange, Easthouses and Mayfield. The bus service stops within a short distance of the front entrance to the new building. The local footpaths have also been significantly improved to encourage both pedestrian and cyclists to use the new campus centre.

The Public Opening Hours for the new building are as follows:-

	PUBLIC Opening Times (i.e. when services may be open to public)
Mon-Thurs	0630-2145 (15.25 hours)
Fri	0630-2015 (13.75 hours)
Sat/Sun	0830-1800 (9.5 hours)
Total	93.75 hours

Feedback from the communities using Loanhead and Lasswade facilities which have benefited from similar community led based assets is that these

new centres play a significant part in encouraging the communities, which they serve to thrive. Footfall at each of the current centres has increased significantly and the multi-service approach has led to significant cross fertilisation, enhanced customer service and effective work practices improving the sustainability of the services offered at a local level. It is anticipated that Newbattle Community Campus will deliver similar benefits to the local communities and beyond.

There will be a full reprovision of all of the facilities offered at Newbattle Pool and Mayfield Leisure Centre.

Members will note the close proximity of the new Newbattle Community Campus to both Mayfield Leisure Centre and Newbattle Pool.

3.3 Mayfield Leisure Centre

This original facility was built in 1976 and subsequently extended. It is in a poor condition and has an energy rating of G which is the least efficient classification.

It is proposed in this report that Mayfield Leisure Centre closes upon the opening of the Newbattle Community Campus. There will be full reprovisioning in the Newbattle Community Campus with extended opening hours.

3.4 Newbattle Pool

The facility was built in 1969, is in a poor condition, and has an energy rating of G, which is the least efficient classification.

The existing operational boiler is aging and new parts are becoming extremely difficult to source. The other boiler has been inoperative for a considerable period. Furthermore Newbattle Pool regularly suffers from flooding in the plant room during periods of prolonged rainfall.

It is proposed in this report that Newbattle Pool be closed upon the opening of the Newbattle Community Campus.

4 Property Rationalisation Timeline

The following timeline is proposed by Director Resources to achieve the property rationalisation and closures;

	2017	2018	2018	2018	2018	2018	2018
	Dec	Jan	Feb	Mar	Apr	May	Jun
Council decision in principle							
Community Engagement							
Council report update							
Opening Newbattle Community Campus							
Closure of Mayfield Leisure Centre							
Closure of Newbattle Pool							

It is crucial that deadlines regarding the Newbattle Pool and Mayfield Leisure Centre are confirmed at an early stage to allow the necessary staffing alteration and deployments to be made.

Report Implications

5.1 Resource

Final decisions on the future of these buildings will affect the projected overall savings target associated with property rationalisation of £600,000 as detailed in paragraph 2.2 above.

On the premise that Newbattle Pool and Mayfield Leisure Centre close in the spring upon the opening of the Newbattle Community Campus the realised savings for 2018/19 will amount to:-

Newbattle Pool	£340,000
Mayfield Leisure Centre	£202,000
TOTAL	£542,000

5.2 Risk

The severity of the financial challenge is such that Council will require to approve proposals which not only achieve a balanced budget for 2018/19 but which will also contribute to reducing future years budget shortfalls. The risk of not doing so would be the potential elimination of reserves and so severely limiting the Council's ability to deal with unforeseen or unplanned events.

Recruitment of staff for the new Newbattle Community Campus will need to begin in the new year and it is anticipated that these roles will attract qualified and experienced staff from the existing facilities, this will impact on staffing levels at the existing facilities and would then require recruitment to any resultant vacancies. Confirming closure would mean that existing staff would be transferred to the new roles required to staff the new Newbattle

Community Campus in accordance with the Council's policy for managing change.

It is also anticipated that a significant number of users of the existing facilities will migrate to the new facilities and significantly reduce the user base and casual income for the existing facilities making their continued operation more expensive and unsustainable.

5.3 Single Midlothian Plan and Business Transformation

Themes addressed in this report:

- ☐ Community safety
- ☐ Adult health, care and housing
- ☐ Getting it right for every Midlothian child
- ☐ Improving opportunities in Midlothian
- ☐ Sustainable growth
- ☒ Business transformation and Best Value
- ☐ None of the above

5.4 Impact on Performance and Outcomes

The Financial Strategy facilitates decision making on how Council allocates and uses its available resources and as such has fundamental implications for service performance and outcomes in the community.

5.5 Adopting a Preventative Approach

Whilst the proposals in this report do not directly impact on the adoption of a preventative approach, an effective Financial Strategy allows resources to be prioritised to support prevention.

5.6 Involving Communities and Other Stakeholders

The timetable set out in the Financial Strategy report to Council on 10 October 2017 allowed for the continuation of Shaping our Future, the engagement strand of the Delivering Excellence Framework. This has a focus on informing the community and other stakeholders of the financial and service challenges and provides a means to engage on the Council's change programme. However the proposals relating to Mayfield Leisure Centre and Newbattle Pool did not form a specific part of this engagement.

A recommendation of this report is for engagement with service users and community representatives to provide information and assurance as part of the transfer of services from those current buildings to the new Newbattle Community Campus.

In addition, there continues to be regular engagement with the recognised Trade Unions regarding the Council's financial position and service challenges and change programme.

5.7 Ensuring Equalities

The Council's Financial Strategy and the proposals, which support financial sustainability, have been developed within the context of the Midlothian Single Plan, ensuring that resources are directed towards the key priorities of reducing inequalities in learning, health and economic circumstance outcomes.

The Financial Strategy and the proposals in the Change Programme also reflect Midlothian Council's commitment to the ethos of the Equality Act 2010 with careful consideration of the interests of the most vulnerable in our communities through the equality impact assessment (EQIA) of all the proposals.

An integrated impact assessment has been undertaken as part of the process in developing the recommendations set out in this report and will be published on the committee management information system section of the Council website.

5.8 Supporting Sustainable Development

There are no direct sustainability issues arising from this report.

5.9 IT Issues

There are no direct IT implications arising from this report.

6.0 Summary

- 6.1** The opening in spring 2018 of the new Newbattle Community Centre with its extensive range of leisure and community facilities has implications for the buildings which currently provide such facilities and services in Newtongrange and Mayfield. This has been a matter for consideration by the Council since 2013; and it has been a key feature of the work of the Services to Communities Board since its inception in 2014. That Board has reported regularly to the Business Transformation Steering Group, with final decisions on major matters being taken at Council.
- 6.2** One of the major issues considered by the Services to Communities Board is the rationalisation of properties as a consequence of the opening of the new Campus; which provides the opportunity to relocate existing leisure and community services into new, more suitable and well-equipped accommodation. It also enables savings of around £600k to be made through that property rationalisation and these are included under the Business Transformation strand of the proposed overall Financial Strategy, as considered at Council on 10 October 2017.
- 6.3** The two buildings on which a decision is now required are the Newbattle Pool and the Mayfield Leisure Centre. The new Newbattle Community Campus provides for the relocation of these facilities, thereby making the existing old and inefficient buildings redundant. The recommendation in this report is to confirm the closure of these buildings within a timetable that includes engagement with service users and community representatives to provide information and assurance as part of the seamless transfer of services from the old facilities to the new Campus. A further part of that programme will be confirmation of staffing and other operational arrangements.

- 6.4** Council consideration and decisions on the future of the other properties, these being Newbattle Leisure Centre, Newtongrange Library, and the Newbattle Community Learning Centre at Gardiner Place, can take place when it receives the final report on the proposed Newtongrange Town Centre masterplan. This is due in spring 2018.

7.0 Recommendations

7.1 It is recommended that Council:

- i) notes the work of the Services to Communities business transformation work streams, as reported regularly to the Business Transformation Steering Group since 2014;
- ii) confirms that closure of the Newbattle Pool and the Mayfield Leisure Centre will take place at the point of the opening of the pool at the new Newbattle Community Campus;
- iii) agrees that, as part of the programme for the closure of these buildings, there is engagement with service users and community representatives to ensure that information and assurance are provided to assist in the smooth transfer of services to the new Campus; and
- iv) agrees that Council considers the future of the buildings that currently accommodate the Newtongrange Leisure Centre, the Newtongrange Library, and the Newbattle Community Learning Centre when it receives the final draft report on the proposed Newtongrange Town Centre masterplan.

8 December 2017

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Background Papers:

Appendix 1

PART A: OPERATING COSTS

	Newbattle Pool	Mayfield CLC	Total
	£000's	£000's	£000's
Employee Costs	320	321	641
Premises Costs	141	130	271
Transport Costs	0	1	1
Supplies and Services	9	13	22
Third Party Payments	2	5	7
	472	470	942
Income	-132	-268	-400
Grand Total	340	202	542