

Finance and Resources Committee

10.00am, Thursday, 3 November 2016

Inch House Community Centre – Update report

Item number	7.19
Report number	
Executive/routine	Routine
Wards	16 - Liberton/Gilmerton

Executive summary

This report provides an update on progress on the future of Inch House since the Finance and Resources Committee considered a previous report on 9 June 2016.

In order to address immediate health and safety and wind and watertight concerns, a package of essential works to the roof and stonework has been instructed at a provisional cost of approximately £200k plus fees.

In addition, officers have engaged with two potential restoring purchasers and will now advertise the restoration opportunity to ensure all interested parties are able to explore opportunities, in line with the Community Empowerment Act 2015.

Links

Coalition pledges	P30
Council priorities	CP4
Single Outcome Agreement	SO4

Inch House Community Centre – Update report

Recommendations

1.1 That Committee:

- 1.1.1 Notes the progression of works to secure the immediate health and safety and wind and watertight issues associated with the building;
- 1.1.2 Notes the intention to explore the restoring purchaser opportunities through the process set out in the Community Empowerment Act 2015; and
- 1.1.3 Notes that a further progress will report will be brought forward once submissions on the future use of the property have been received and evaluated.

Background

2.1 On 9 June 2016, the Finance and Resources Committee agreed the following:

- 1) To note that Inch House Community Centre was now in a position where major expenditure would be required if the building was to be made fit for purpose for future use.
- 2) To note that a further report would be brought to Committee once opportunities for the potential of a restorative purchaser and grant funding availability had been explored.
- 3) To provide details on the approaches taken to secure funding for historic buildings by other local authorities across Scotland in the further report to Committee.

2.2 This report provides an update on progress to date.

Main report

Further works

- 3.1 As detailed in the previous report to Committee, some temporary works have already been carried out to remove loose masonry.
- 3.2 To address the most pressing issues, while a sustainable solution for the property is pursued, a further package of essential works has now been instructed. The anticipated start date is December 2016.

3.3 While the full extent of the works will not be known until safe access is provided to the roof, it will include:

- repair and stabilisation of pediments/gables and various chimney stacks;
- repair and replacement of defective stonework to the various elevations;
- repair of render coatings to various elevations and chimney stacks;
- overhaul and repair of roof slating;
- inspection and repair of roof coverings and claddings;
- minor remedial work to timber sash and case windows;
- inspection and repair/replacement of rain water gutters and pipes; and
- eradication of rot affecting the roof structure.

3.4 The final cost of the works will not be confirmed until the roof is accessible however the current tender price is £202,922 excluding VAT and fees. This work will make the building wind and water tight in the short term and, in turn, will mitigate a major risk while the future of the building is determined.

Funding

3.5 Following an initial meeting with Historic Environment Scotland (HES), they have indicated that they could provide a grant of approximately £500k, largely due to the category A listed status of the property. However, HES have also made it clear that a sustainable business case for the future for the building is required prior to, and as part of, applying for grant funding.

3.6 As requested by Committee, initial research into the approaches of other local authorities has revealed examples such as:

3.6.1 West Dumbarton Council secured a £500,000 grant from Historic Environment Scotland to help pay for restoration of the former Dumbarton Academy building. The money was to repair the “A” Listed facade as part of the Council’s plans to relocate 500 staff to new offices in the town;

3.6.2 An options appraisal report for Shambellie House, New Abbey, Dumfries and Galloway from March 2014 listed several potential sources of funding, including The Vivat Trust, Landmark Trust, Heritage Lottery Heritage Enterprise funding and Big Lottery Fund. This property has similar characteristics to Inch House although it is in better condition. The Prince’s Regeneration Trust prepared the report and their brief was to “.. maximise the building’s potential and contribution to the life of the local community including cultural use in its widest sense, for example, educational use, social enterprise, heritage, local community use etc..”

The Shambellie House Trust has now been established and tasked with preparing a sustainable plan for its future which is to incorporate a local group managing the property.

3.6.3 The Scottish Historic Building Trust (SHBT) describe themselves as “..a charity that secures the future of under-used historic buildings across

Scotland by expertly restoring them for the nation and finding new uses that can regenerate local communities and the historic environment...”
The City of Edinburgh Council has already worked with SHBT at Custom House, Leith and Riddle’s Court on the Royal Mile.

Restoring Purchasers

- 3.7 To date, officers have met with two potential restoring purchasers as detailed below:
- 3.7.1 Edinburgh Palette – This Scottish charity provides studio artists, entrepreneurs and community organisations with low cost studio space and unique, organic opportunities for collaboration. They currently operate out of temporary accommodation at London Road but would like to establish a permanent base.
- 3.7.2 Live It Dance Studios – This dance school is currently using the facilities at Liberton High School and is looking for a property into which to expand the business. It is run by a local businesswoman who has built up a successful business providing affordable dance lessons to young people, many of whom are local.
- 3.8 Both parties understand that their proposals for the property should include continuing community use and believe that their proposed use is compatible with that. They have been given a package of information on the property, including its condition, so they can develop their proposals further.
- 3.9 In addition, to ensure that all interested parties are considered, the opportunity to lease and restore the property will be advertised in line with the processes set out in the Community Empowerment Act 2015, with a deadline for receipt of submissions. Appendix 1 sets out the process approved as part of the Council’s interim Community Asset Transfer Policy.
- 3.10 Once the submissions have been received and evaluated, a further report will be brought to Committee.

Measures of success

- 4.1 The outcome addresses the current and expected future needs of the local community.
- 4.2 The outcome demonstrates value for money on a whole-life basis in addressing needs of the local community; and
- 4.3 The heritage building of Inch House will remain available for appropriate use in the future.

Financial impact

- 5.1 The cost of the works package of approximately £200,000 and fees will be met from the Asset Management Works budget in the financial year 2016/17.
- 5.2 If a successful solution of grant funding and securing a restoring purchaser, the majority of the £1.1m costs required to restore the property, identified in the previous committee report, would be avoided.

Risk, policy, compliance and governance impact

- 6.1 While current health and safety risks with the external fabric of the building have been temporarily mitigated with the installation of scaffolding to provide a protective decking, this position cannot be sustained indefinitely and the building is expected to be subject to further deterioration, particularly in the winter. The further package of works which has now been instructed will help mitigate this risk.
- 6.2 There is a considerable ongoing financial risk for the Council in that this building brings significant unbudgeted pressure to limited resources needed to keep other elements of the Council's estate in operational condition.

Equalities impact

- 7.1 By authorising a further package of essential works, the Council is helping to protect the continued use of the building for the community while a long term solution is pursued.
- 7.2 Seeking and engaging with a restoring purchaser to secure the restoration of the property should result in a sustainable future for this community asset.
- 7.3 Both of these will enhance the rights to physical security, health, education and learning, productive and valued activities and individual, family and social life.
- 7.4 The opportunity to lease the property will be advertised, ensuring a fair process where all interested parties being treated equally.
- 7.5 By seeking to continue the community use within the building, there is a positive impact on the duty to foster good relations, including with groups who use the property for the benefit of people with protected characteristics such as age and disability.

Sustainability impact

- 8.1 The life expectancy of the building would be extended by substantial capital investment by a restorative user prepared to permit continued use as a community facility. However the age and configuration of the building means it

is unlikely to be able to fully meet modern day standards expected of public buildings.

Consultation and engagement

- 9.1 Officers met with the Management Committee of Inch House on Tuesday 16 August 2016 to discuss the process of finding a restoring purchaser. This was followed on Thursday 18 August by a public meeting which had been arranged by the Management Committee and attended by, local members, the Acting Head of Property and Facilities Management and CLD representatives

Background reading/external references

[Inch House Community Centre](#) – Report to Finance and Resources 9 June 2016 (item 7.12)

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Links

Coalition pledges	P30 – Continue to maintain a sound financial position including long-term financial planning.
Council priorities	CP4 – Safe and Empowered Communities
Single Outcome Agreement	SO4 – Edinburgh’s communities are safer and have improved physical and social fabric.
Appendices	Appendix 1 – Community Asset Transfer Policy

Appendix 1: Section 1 – Flowchart for considering requests for transferring a Council building or land

Steps	Elements	Assessors/Decision makers	Timescales
<p>Stage 1: Expression of interest received.</p> <p><i>(The group does not need to be a legal entity.)</i></p>	<p>Presentation of information which:</p> <ul style="list-style-type: none"> • clearly identifies the legal status the applicant – only at stage 1 can applications be received from unconstituted interest groups • assesses strategic fit with the asset and the bidding organisation • says why the asset is needed and what partnership arrangements are needed; • examines the capabilities, skills and objectives of the bidder; • demonstrates potential and realising sound management of the asset. 	<p>This stage focuses upon an informal discussion.</p> <p>Together Council officials and organisational representatives come together to discuss the business prospects and feasibility. (item 6.2)</p> <p>Identify legal hurdles e.g. Common Good, State Aid and/or better long-term leasing opportunities – if leasing the process below should apply.</p> <p>Financial implications for the Council including consideration of capital receipt/ rent requirements</p>	<p>Minimum of 6 weeks</p>
<p>Stage 2:</p> <p>If successful at Stage 1, the lead organisation submits a detailed business and sustainability plan.</p>	<p>Provides evidence of:</p> <ul style="list-style-type: none"> • a legal entity with clear governance and operational arrangements; • interface with the Disposal Of Land by Local Authorities (Scotland) 2010 • benefits – community, health, social well-being, environmental well-being, economic development or regeneration, sustainability, E&R impact, social or environmental. • product/service delivery; • partnership working, needs analysis • experience, capacity. risk analysis • projected income/expenditure and cash flow forecasts 	<p>Assessment of evidence by a panel – drawn from a range of city interests (items 6.2 and 6.3)</p>	<p>Assessment by panel should be between eight and sixteen weeks</p> <p><i>(However may take longer of complex)</i></p>

<p>Stage 3:</p> <p>If approved at Stage 2 a full assessment and testing of the business case and delivery model is undertaken.</p>	<p>Evaluation of:</p> <ul style="list-style-type: none"> • benefits to the wider community and Council; • comparisons with existing service providers/facilities; • test against local policies/priorities – e.g. Localised approaches, Neighbourhood Partnership Plan; • commencement with National policies/priorities and legislation – such as the Community Empowerment (Scotland) Act 2015, Local Government (Scotland) Act 2003, etc. 	<p>Consultation with Neighbourhood Partnerships.</p> <p>Consultation with localised services and service area managers.</p> <p>Investigate legal advice</p> <p>Formal decision by Finance and Resource Committee</p> <p>Written notification of the Council decision</p>	<p>Minimum of 8 weeks</p>
<p>Stage 4</p>	<ol style="list-style-type: none"> 1. If agreed by the Finance and Resources Committee: <ul style="list-style-type: none"> • Agree support plan and finalise legal contracts • Completion of documents <p style="margin-left: 40px;">1.1</p> 2. If not agreed by the Finance and resources Committee: <ul style="list-style-type: none"> • Notification is made to the applicant organisations stating the reasons for the decision; • Further work is undertaken to address the Committee's concerns and the Council is notified of any further intent by the applicant organisation. 	<p>Council staff and successful organisation (including legal teams) work closely together to avoid delays</p> <p>Council staff issue the decision of the Committee and are available to further assist if required.</p>	