

Heather House Community Centre

Final Decision-Maker	Communities, Housing & Environment Committee
Lead Head of Service	John Littlemore, Head of Housing & Communities
Lead Officer and Report Author	Matt Roberts, Community Partnerships & Resilience Manager
Classification	Public
Wards affected	Park Wood

Executive Summary

Heather House is a community facility owned and directly managed by the Council. It serves the local population of Park Wood, providing facilities to enable indoor sports and leisure activities.

Due to the age and construction of the building it has now reached the end of its useful life and a decision is required as to whether significant investment is made to give the property a further life-span or to close the building, demolish and look at alternative options.

This report makes the following recommendations to this Committee:

1. That the decision is made to close Heather House and that a project team is set up to undertake Option 4 as set out in paragraph 7.5.
2. That staff affected by the closure are assisted in accordance with the Council's redundancy policy (contained in the Exempt Appendix to this report).

Timetable

Meeting	Date
Communities, Housing & Environment	14/11/2017

Heather House Community Centre

1 INTRODUCTION AND BACKGROUND

- 1.1 Heather House was constructed in the 1960's, the facility is the only remaining community hall in the Council's direct management, the Council employs an on-site caretaker and retains an assistant caretaker to ensure periods of annual leave and absence are covered.
- 1.2 Heather House consists of the Main Hall and the smaller Reed Hall which are open 7 days per week and used for a variety of community and private hires. The current arrangement requires Maidstone Borough Council to maintain, repair and insure the property and pay utilities.

2 CONDITION OF THE BUILDING AND REPAIRS NEEDED

- 2.1 At the end of May 2017 the two boilers that provide hot water and heating to the building broke down. Upon inspection the engineer found that one boiler was unrepairable, whilst the second boiler was able to be restarted by a temporary repair, this has now also failed. The engineer stated that both boilers need immediate replacement at an estimated cost of between £26,000 and £30,000.
- 2.2 The roof has for some time been an area of concern, as it is known to be of an asbestos manufacture. Whilst there is no immediate cause for concern from the asbestos degrading, the roof continues to leak in places, made worse by recent storms, which has caused further water damage to the structure and items in the hall.
- 2.3 To enable a proper solution a new roof is required and this would mean employing a specialist licensed contractor in order to remove and replace the roof. The centre would also need to close due to the risk to health whilst any part of the roof is disturbed. The cost to provide a new covering over the existing roof would be in the region of £75,000, whilst replacing the roof with a new structure is around £120,000.
- 2.4 In addition to the above the following repairs are also needed;
 - external & internal repairs and decoration required totalling £40,000;
 - replacement of the convector heaters £10,000;
 - window repairs £15,000; and
 - wiring requires replacing at £50,000;
- 2.5 Making an estimated total cost of £261,000 for all repairs.
- 2.6 There is no budget available in the current MTFs to cover the cost of the urgent repairs that are required to the boilers and roof. The decision to invest in the building in order to extend its lifespan would only make financial sense if a full refurbishment programme was conducted at the

same time, further increasing the cost of retaining the existing building. However, even if the building is refurbished its layout, external and internal structure remains dated and therefore limits its use and ability to attract new users.

3 EXISTING USAGE

3.1 The facility is used as a local polling station for general and local elections and, up until recently, by a number of organisations (listed in the table below) who used the building on a regular basis. On the 24th August a letter (included as Appendix 1) was sent to all of the long term users informing them of the need to carry out major repair works and the likelihood of the hall being closed around the end of October unless a decision was made to provide the substantial investment needed to the building.

Table 1

Organisation	Lease End Date	Usage	Days Booked	Charge per Month
Semara Bowls	Group has found alternative venue	Leisure/ Indoor bowling	3 sessions per week	£325
Phoenix Bowls	Group has found alternative venue	Leisure/ Indoor bowling	1 sessions per week	£128
Heather House Bowls	Group has found alternative venue	Leisure/ Indoor bowling	1 sessions per week	£128
Weight Watchers	Looking for an alternative venue	Health & wellbeing	1 sessions per week	£128
Lakeside Bowls	Looking for an alternative venue	Leisure/ Indoor bowling	1 sessions per week	£128
Ballroom Dancing	Group has found alternative venue	Leisure/ Dance classes	1 sessions per week	£128
Millie Moos	August 2017 (now vacant)	Commercial/ Childcare	5 sessions per week	£1,047

3.2 The building is considered to be under-used and is unable to generate sufficient bookings to meet its financial target. Since the letter was received a number of the groups have now found alternative venues, only two groups currently remain and are making arrangements to move to an alternative venue.

- 3.3 Not every regular user had an up to date agreement in place and those that do terminate at various times in the year. One user was in significant arrears (in excess of £5,000), as a result their user of the hall was ended in August 2017 and the debt is being recovered.
- 3.4 Bookings have also been taken for ad-hoc use, such as parties and social events; the last took place on the 4th November 2017.
- 3.5 Due to the condition of the building, the online booking form was suspend in August to prevent bookings being taken for the hall past the end of October until a decision was made about the long term future of the hall. This was to limit both a reputational and financial risk to the Council on three points;
- 1. To prevent those who had booked the hall for a party arriving to find the building cold and damp, who then complain and ask for a full refund on the basis the building was not fit for purpose.
 - 2. That a decision to close the hall would result in having to provide refunds for any deposits taken.
 - 3. Should a person find out that the hall was not fit for purpose as described in 1, or that their booking was cancelled, potentially at short notice, as described in 2, then there could be reputational and financial damage to the Council.

4 OPERATING COSTS

- 4.1 The costs to run Heather House include; utilities, cleaning materials, equipment costs and salaries for two members of staff (staff details contained in Part 2 Appendix 1).
- 4.2 Table 2 below shows the expenditure costs to run the centre against the revenue generated from the use of the hall. While there has been a performance target in place to increase the use of the hall, it has not been possible to meet this target and the hall has been operating at a considerable loss.

Table 2

	2015/16	2016/17	2017/18 YTD
Expenditure	£47,185	£45,645	£30,777
Revenue	£29,769	£24,321	£10,825
Loss	£17,415	£21,324	£19,952

5. BUDGET FOR MAINTENANCE OF COUNCIL BUILDINGS

- 5.1 We have both a revenue (£558k) and a capital (£175k) budget to cover the cost of repairs and maintenance of Council buildings. The revenue budget is allocated across all of the various properties in the Council's portfolio and is managed within the annual budget set for each year.

- 5.2 The capital budget of £175,000 per annum is managed corporately. This is expected to be spent by the end of this financial year through planned expenditure, not including any additional spend on Heather House.
- 5.3 From the revenue budget of £558,000 per annum we have to date spent around £359,000, against a budgeted prediction to spend £279,000 by this point in the financial year. There is £199,000 remaining for the rest of the year which has been allocated against planned and reactive works that we have to/intend to carry out this year.
- 5.4 We are currently £80,000 over the anticipated budget position on repairs and maintenance budgets for this point in the financial year, in order to keep within budgets we need to prioritise expenditure, and ensure that the budget is not overspent by the end of the year. We are already scrutinising expenditure to identify any areas for reallocation of funds.

6. THE PAVILION

- 6.1 Heather House is located on Bicknor Road backing onto the Parkwood Recreation Ground. Adjacent to Heather House is a skate-park and multi-use play area; and next to this (about 400 yards away from Heather House) is The Pavilion. The Pavilion comprises a community facility with a licensed bar on a long-lease to the local branch of the Royal British Legion (RBL); and changing room facilities used by the Weaving Warriors Rugby Football Club (WWRFC) who also use the Recreation Ground for their pitches.
- 6.2 The RBL use the facility to provide a meeting venue for their members to socialise, however the Council does not have details of the current usage. The RBL has a 125 year lease of the building with the Council under which the RBL has full repairing obligations. Consequently no rent is payable to the Council, although the cost of the electricity is met by the Council. The lease has an unexpired term of 97 years with no break clause in the agreement.
- 6.3 No formal agreement exists with the WWRFC for the use of the building. The Weaving Warriors RFC was established in 2004 and currently competes in the Premier 2 League, which is one below the Rugby Football Union's main structure. They use the facility once a week for training and to play their home games. It is understood that they make a payment for the use of the Recreation Ground.

7. AVAILABLE OPTIONS

- 7.1 Option 1: Do nothing. This is not an option as the building has no source of heating, it is in a dilapidated condition and is cold and damp making it unsuitable for use. It is known that cold temperature is a factor that increases the likelihood of falls amongst the older population and as the majority of regular users fall into this category this would represent an increased risk of accidents.

- 7.2 Option 2: Fully refurbish and retain Heather House. The estimated cost for carrying out the refurbishment is likely to be in excess of £260,000 but a comprehensive survey would be required to ensure all matters relating to the building and its future use can be accounted for. This option is likely to cause disruption and mean that it is unlikely that the building could be used during the refurbishment, particularly if this involves disturbing the roof with its hazardous materials.
- 7.3 This option would increase the useful life by a further 5 years but is not recommended as the cost and disruption is not seen as being best value for money when weighed against the limited potential to generate revenue; in addition there is no budget available to carry out this work so a report would need to be taken to Policy & Resources Committee to secure the necessary funds.
- 7.4 Option 3: Carry out temporary repairs. Replace the two boilers with a single boiler at a cost of £15,000, patch the roof and gutters at a cost of £5,000, and carry out external repairs to the minimum standard required at a cost of between £5,000 and £10,000. This would extend the life of the building for around two years but likely limit the use to the Main Hall as one boiler may be insufficient to heat both the Main Hall and Reed Hall.
- 7.5 Option 4: Agree the closure of Heather House. In the long term this would involve demolishing both Heather House and the nearby Pavilion (see 6.1) which is currently leased to the Royal British Legion. This option would enable a new multi-purpose community facility to be established on the site of the Pavilion and releasing the land on which Heather House is situated to become available for a different use such as residential housing. This in turn could be used by the Maidstone Property Holding Company to provide much needed housing and the cost of the project could be offset from the income generated by the new housing. Further work will be required to develop a full business case for this option.
- 7.6 This option means the immediate closure of Heather House, aside from the staffing requirements set out in the Exempt Appendix to this report, there will need to be consideration given to clearing any items which could be repurposed by the Council and securing the building against damage and misuse.
- 7.7 Once the building has been closed there will be no need to carry out any repairs to it, although there be Health and Safety requirements to consider and we would still be liable for annual costs of insurance £200, security £5,000 and business rates £7,000. We would also cap off all the utilities, to prevent future costs for these services.

8. PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS

- 8.1 The preferred option is Option 4 as outlined in Paragraph 7.5 above. This option permits the assembly of land in the general locality to provide a new and purpose built facility for community use. This option rationalises the two dated buildings situated on Bicknor Road to create a better resource

that could provide a wider range of activities in addition to the sports and leisure offer.

8.2 This option would enable the land on which Heather House is currently located to be used for residential purposes in harmony with the existing residential accommodation on Bicknor Road. The replacement of both Heather House and The Pavilion would also enhance an area of previous deprivation that has recently benefitted from major regeneration programmes by Golding Homes and new developments in the surrounding areas.

8.3 Staff affected by the closure of Heather House would be assisted in accordance with the Council's Redundancy policy.

9. CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK

9.1 Heather House is situated in the Park Wood Ward and the local councillors have been invited to meet with the Head of Housing & Community Services in order to outline the situation and future options.

9.2 The decision will require sensitive engagement with the organisations that use both facilities and local community to explain the unavoidable situation that the Council finds itself having to tackle and the next steps.

10. NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION

10.1 It is accepted that there could be negative feedback as a result of a decision to close Heather House in the short-term and any decision to demolish one or both facilities. The Council will require a communication strategy to explain the basis for the decision and to respond to concerns from the community and interest from the media.

11. CROSS-CUTTING ISSUES AND IMPLICATIONS

Issue	Implications	Sign-off
Impact on Corporate Priorities		Head of Housing & Communities
Risk Management	There is a reputational risk to the council as a result of the closing Heather House in the short-term.	Head of Housing & Communities
Financial	Financial implications for the	Section 151

	different options proposed are contained within the report in section 4. There is no provision within existing budgets to implement any of options 2, 3 or 4, so separate approval would be required from Policy and Resources Committee for the option chosen.	Officer & Finance Team
Staffing	Contained within the report.	Head of Housing & Communities
Legal	There are staffing issues arising from this report however, any legal implications arising from the report will be raised with MKLS at the appropriate time.	Team Leader, Legal Services
Privacy and Data Protection		
Equalities		
Crime and Disorder	Building security will need to be adequately provided for.	Head of Housing & Communities
Procurement	None.	Head of Housing & Communities

12. REPORT APPENDICES

The following documents are to be published with this report and form part of the report:

- Appendix 1: Letter to Heather House users.
- Exempt Appendix: Staffing

13. BACKGROUND PAPERS

None.