



## **Succession Strategy for Derwent New Deal for Communities Programme**

### **SUMMARY**

- 1.1 The Resources Commission discussed the expiry of the Derwent New Deal for Communities programme at their September meeting and decided to lobby the Government for a six months extension to the scheme. This was required due to the number of delays that the programme had experienced in delivering its key objectives. Subject to central government approval, the extension would have enabled Derwent NDC to carry out vital, and necessary, capital works to the Gateway and Revive Centres which had both been part-funded with NDC resources. Any remaining NDC funding was to be spent on developing a residential housing portfolio to meet local housing needs. Unfortunately the Government was unable to support the NDC's request for an extension. As a direct consequence of this decision there is now insufficient time left to deliver any of the capital projects. It is now therefore necessary for the NDC Board, Derwent Delivers and Revive Charity and Trading Company to decide what should happen to the buildings that they are legally and financially responsible for.
- 1.2 When the NDC programme comes to an end, any unallocated NDC funding will be returned to the national Department for Communities and Local Government (CLG).
- 1.2 In order to support the NDC Board the Resources Commission reviewed the options for the flagship projects at its 25 October meeting. During the review meeting the Commission received evidence from the Council's Service Director (who has been responsible for the programme since 2007), Councillors for the Derwent ward, NDC Board members as well as senior officers of the Council. Together with local residents, the Commission has considered all the options and wishes to put forward a number of recommendations in support of leaving positive legacy for the local community.

### **RECOMMENDATION**

- 2.1 The Council Cabinet should explore further options to secure funding for a gymnasium to be run from the Gateway Centre and negotiate with Derbyshire Cricket Club for a binding agreement to provide sustainable community facilities for local residents.
- 2.2 The Council Cabinet should engage with NHS Derby City and find a solution for the future ownership and management of the Revive Health Living centre.

- 2.3 Land on Wiltshire Road should be transferred to a mainstream agency.
- 2.4 Two residential properties should be transferred to a mainstream agency.

<b>REASONS FOR RECOMMENDATION</b>
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3.1 Gateway Centre

A substantial level of investment was spent on developing the Gateway Centre. The freehold land was purchased by Derwent Delivers, who are the current owners of the building. However, the Gateway building (plus 45 parking spaces) was leased on a 125 year peppercorn lease to Derbyshire County Cricket Club. The Centre was built and developed using financial contributions from the NDC and Sport England. All funding for the capital works was secured by Derbyshire County Cricket Club.

- 3.2 It was originally intended that the Gateway centre would provide a range of community facilities including community café, children's play area, gym, multi purpose hall and training for local residents. However, the majority of these services stopped in 2006 when the centre experienced difficulties. The gym was however a popular service that was well used by residents. However in its original form, it proved to be unsustainable. By investing the additional funding, it would be possible to transform the Centre and deliver a fully equipped gymnasium that would help to address health inequalities and contribute towards the Council's leisure strategy. The level of investment required is estimated to cost £800,000.

3.3 Revive Healthy Living Centre

Revive Health Living centre is a healthy living centre that provides much needed health services in the heart of the community. Derwent Delivers were responsible for negotiating with the Catholic diocese and are currently the freehold owners of the land and Revive Centre. However, all the funding for the capital costs, design and procurement of the centre was undertaken by Derby PCT. Funding was secured from a variety of different sources including the NDC, EMDA, European and National Lottery sources. The Commission therefore feels that NHS Derby City should take on the responsibility for the Revive Centre. This would enable the Centre to remain open and deliver a viable legacy for local residents.

3.4 93/95 Wiltshire Rd

If the land on Wiltshire Road is not transferred to an agency it would have to be sold on the open market and the proceeds would be returned to the Government. This would not benefit the local community.

3.5 Residential Properties

This is similar to 3.4 above. If the properties are not transferred to an appropriate agency, the buildings would have to be sold and the proceeds returned to Government. By transferring these properties to a mainstream agency the local

community could continue to benefit from any income that may be generated from the properties.

## **SUPPORTING INFORMATION**

- 4.1 The Derwent NDC programme is run by local residents and has carried out numerous projects over the last 10 years to address social, economic and health needs affecting the lives of local residents. During the early years of its operation, the programme was considered to be one of the top performing programmes in the country. It was awarded the prestigious 'excellent status' for three consecutive years. This meant that the programme was afforded additional freedoms and flexibilities, including a delegated spend limit of £1m before projects had to be externally agreed and appraised by Government Office for the East Midlands.
- 4.2 Funding for the NDC programme is coming to an end on 31 March 2011. In order to support the Derwent NDC Board to leave a positive legacy behind for the local community, the Resources Commission sought the assistance of the local Members of Parliament and lobbied for a six month extension to the programme. Unfortunately this request has been rejected, and there is now insufficient time left to deliver the capital changes that are required to the Gateway and Revive Centres. However, without the changes, the centres are not financially viable. It is therefore necessary for the resident companies that own and manage the Centres to either transfer the buildings to an agency that can maintain them or develop an exit strategy.
- 4.3 Although the programme has successfully completed hundreds of projects there still effectively four outstanding capital schemes whose future ownership and management remains undecided.
- The Gateway project
  - Revive Health Living Centre
  - Land on Wiltshire Road
  - Two properties
- 4.4 A number of organisations have supported the NDC programme including amongst others the Government Office for the East Midlands, NHS Derby City (PCT) and Derbyshire County Cricket Club. The City Council has been actively involved in the programme and is the accountable body for the NDC grant. It should therefore continue to offer support to the NDC Board and leave lasting legacy for the area.
- 4.5 At its October 2010 meeting the Resources Commission considered views of the Derwent ward Councillors, NDC Board members and senior officers of the Council on the options for these four projects. The Commission feels there has been substantial public investment in Derwent and feels that it is necessary to continue to support the NDC Board to leave a legacy for the area.

## **OTHER OPTIONS CONSIDERED**

- 5.1 The Commission considered doing nothing but felt this would not help the NDC Board in their decision making. Without the external support the resident organisations that own the buildings may be forced to sell the assets and return any proceeds of sale to the national Department for Communities and Local Government (CLG).

**This report has been approved by the following officers:**

<b>Legal officer</b> <b>Financial officer</b> <b>Human Resources officer</b> <b>Service Director(s)</b> <b>Other(s)</b>	Chair and Vice Chair on behalf of the Resources Commission
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<b>For more information contact:</b> <b>Background papers:</b> <b>List of appendices:</b>	Mahroof Hussain 01332 255597 e-mail <a href="mailto:mahroof.hussain@derby.gov.uk">mahroof.hussain@derby.gov.uk</a> None Appendix 1 – Implications
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<b>IMPLICATIONS</b>
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**Financial**

- 1.1 There are likely to be financial implications for whatever decision is taken by the Council Cabinet due to complicated funding streams and potential claw back clauses.

**Legal**

- 2.1 All NDC schemes are currently expected to close by 31 March 2011.

**Personnel**

- 3.1 None directly arising from this report.

**Equalities Impact**

- 4.1 Derwent NDC area is amongst one of the most deprived areas in the city.

**Health and Safety**

- 5.1 None arising from this report

**Carbon commitment**

- 6.1 None arising from this report

**Value for money**

- 7.1 There are substantial assets currently under the management of NDC which could be at risk. Conversely, they also require significant investment to bring them back into community benefit.

**Corporate objectives and priorities for change**

- 8.1 The Derwent NDC programme fits in with all the corporate objectives and priorities for change.