

North Tyneside Council

Report to Cabinet

Date: 13 August 2012

ITEM 5(j)

Title: House of Objects

Portfolio(s): Community and Regulatory Services

Cabinet Member(s): Councillor George Westwater

Report from Directorate: Community Services

Report Author: Paul Gowans, Head of Cultural and Customer Services (Tel: 0191 6437401)

Wards affected: All

PART 1

1.1 Purpose

The purpose of the report is to outline the current operational model of the House of Objects within the Council, and to seek approval to support the development of alternative provision of the House of Objects as an externally funded project.

1.2 Recommendation(s)

It is recommended that Cabinet:

- (1) Agree to cease provision of the House of Objects project as currently funded by the Council;
- (2) Delegate authority to the Head of Cultural and Customer Services, in consultation with the Head of Legal, Governance and Commercial Services, the Strategic Director of Finance and Resources and the Cabinet Member for Community and Regulatory Services, to take such steps as may be appropriate to assist in the establishment of an alternative service model;
- (3) Delegate authority to the Senior Manager – Strategic Property, in consultation with the Deputy Mayor, the Head of Legal, Governance and Commercial Services and the Strategic Director of Finance and Resources, to progress and agree the terms and grant of a lease of the property at the Rising Sun Country Park currently used by the project to a new occupier, and to deal with any ancillary matters arising.

1.3 Forward Plan

This report appears on the Forward Plan for 1 August to 30 November 2012.

1.4 Council Plan and Policy Framework

This report relates to the following themes/programmes/projects in the Council Delivery Plan:

Priority 1 – Sustaining the front line Council Services within the Council, but only spending what we can afford.

1.5 Information

1.5.1 Background

1.5.2 The House of Objects was established in 2009 as a partnership between Community Services and Children, Young People and Learners (CYPL) Directorates, based at the Rising Sun Country Park.

1.5.3 The project is an innovative community resource that offers opportunities for children, young people and adults to access, work with and be inspired by, quality reclaimed materials. It provides a wide range of recycled, remnant or discarded materials and objects that are capable of being revived through the imagination and creativity of their users. The project benefitted in the first two years from the full time input of a member of the Early Years team in CYPL and the backing of staff from Cultural and Customer Services to support the project to become established. In the three years since it was established, the House of Objects has hosted regular visits from schools in North Tyneside and from across the region; offered in-service training for schools and developed a strong membership base, 148 members having been recruited in the first year, rising to 229 in year two of operation, with current membership standing at 500 individuals and groups.

1.5.4 The plan was to fund the project for a three year pilot period, assess its impact, then decide upon its future. Since the spring therefore, the appropriate officer team in discussion with the Cabinet Member and relevant external experts on funding and alternative models, have been considering a sustainable future for the House of Objects.

1.5.5 Having considered options which included continued Council mainstream funding and closure, the team concluded a Community Interest Company presented the most appropriate way forward. Such a company would be in line with the aims of the original project and be able to attract the kind of funding currently unavailable to a Council-funded service.

1.5.6 In order to enable this to happen the Council must cease funding the project. The Cabinet is therefore recommended to cease funding the House of Objects project at the Rising Sun Country Park. Cabinet is also recommended to grant a lease of the premises at the Park currently used for the purposes of the project, with a permitted user clause, in order to ensure that the property once let is used for educational purposes and for the benefit of the community.

1.5.9 Once those steps have been taken the work done so far suggests there is sufficient external interest to establish the House of Objects as a Community Interest Company.

1.5.10 It is expected that funding will cease from 30th September 2012 and the company will be in place later in the autumn.

1.5.11 Following the Cabinet's decision a transition plan will be agreed to help any new organisation establish itself. This may include support to recruit a shadow board and establishing a transfer of responsibilities.

1.6 Decision options

The following decision options are available for consideration by Cabinet:

Option 1

Not to agree the recommendations and retain the House of Objects with the Council.

Option 2

Agree the recommendations and seek to establish the House of Objects as a project operating independently of the Council.

Option 2 is the recommended option

1.7 Reasons for recommended option

Option 2 is recommended for the following reasons:

Option 2 offers the prospect of continuing the service. Option 1 would effectively mean the closure of the project as resources are not available within the current Council budget to continue to support the project.

1.8 Appendices

None.

1.9 Contact officers

Paul Gowans, Head of Cultural and Customer Services. Tel: (0191) 6437401
Steve Bishop, Senior Manager for Arts, Tourism and Heritage. Tel: (0191) 6437410
Alison Campbell, Financial Business Manager. Tel: (0191) 6437038
Kathy Wesolowski, School Improvement Officer, Early Years. Tel (0191) 643 8561

1.10 Background information

The following background papers/information have been used in the compilation of this report and are available at the office of the author:

(1) Cabinet Member briefing note 'House of Objects' dated 6th January 2012.

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The House of Objects was funded through existing budgets but wider changes mean this arrangement was planned to stop in 2012-13. In 2012-13 the net cost to the council of running this service within Arts, Tourism & Heritage was £0.007m with income from fees, educational visits and room hire covering most of the employee, premises, transport and supply costs.

The legal and administrative costs of setting up the new vehicle would be met by the vehicle itself although council staff would give some administrative assistance in organising the transition. A rent arrangement in accordance with the Community Lettings Policy is currently being considered and could provide a small income to the council. There is one member of staff from Children, Young, People and Learning who would return to her substantive post and there is an admin and a driver post where TUPE might apply.

2.2 Legal

On any proposed letting to a new company, a guarantor is sought to ensure that the company's obligations under the lease, including in relation to payment of rent, are secured. The Council needs to ensure that the proposed occupier has a robust business plan in place, which provides the Council with any necessary assurances, in any circumstances where the requirement for a guarantor is waived.

Whilst a service contract will not be in place with the proposed new occupier, a permitted use clause in the lease will ensure that the property is used for the benefit of the community and for educational purposes. The inclusion of such a provision may have an impact on the market rent available for the property.

Cabinet should note that where the Council's usual requirements are waived (for instance, the requirement of a guarantor) there are potential state aid implications. This should be monitored as the matter progresses and any state aid implications should be avoided by charging a market rent.

In providing any assistance to third parties to secure the objectives of this report, the Council must be mindful of the potential for conflict of interests which may arise and must take appropriate action where any such potential or actual conflict arises.

There may be TUPE implications arising from the proposals however Cabinet will wish to note that discussions are already underway with the two members of staff involved in the project to agree their preference and future plans.

2.3 Consultation/community engagement

2.3.1 Internal Consultation

Internal consultation has taken place with officers and the Cabinet Member looking at the best way of developing this service.

2.3.2 External Consultation/Engagement

A membership survey has been undertaken which indicates high level of support for the project from existing user base.

2.4 Human rights

There are no human rights implications arising from this report.

2.5 Equalities and diversity

There are no equality and diversity implications arising from this report.

2.6 Risk management

There are no relevant risk assessment implications arising from this report.

2.7 Crime and disorder

There are no crime and disorder issues arising from the report.

2.8 Environment and sustainability

Accepting the recommendations provides the best opportunity to sustain this innovative environmental project.

PART 3 - SIGN OFF

- Strategic Director(s)
- Mayor/Cabinet Member(s)
- Chief Finance Officer
- Monitoring Officer
- Strategic Manager for Policy and Partnerships
- Chief Executive