

Bath & North East Somerset Council		
MEETING	Cabinet	
MEETIN	4 May 2016	EXECUTIVE FORWARD PLAN REFERENCE:
		E 2851
TITLE:	97/101 Walcot St. Supplementary Report to identify more fully the social objectives which are to be delivered by Genesis from these premises in favour of the community	
WARD:	Walcot	
AN OPEN PUBLIC ITEM/		
List of attachments to this report:		
Appendix 1: E2784 Report to Cabinet 97/101 Walcot St		
Appendix 2: Social Objects to be delivered by Genesis Trust as a result of the Community Asset Transfer		

1 THE ISSUE

- 1.1 At the meeting on 9 September 2015 the Cabinet resolved (Appendix 1: E2784) to request that a further report be brought back to Cabinet within the following 4 months to consider and approve that the provisions in 5.7 had been satisfied.
- 1.2 The provisions in 5.7 are set out in full in this report and in summary the requirement is to identify more fully the social objectives which are to be delivered from these premises in favour of the community.
- 1.3 This is the first available Cabinet meeting for this report to be made

2 RECOMMENDATION

- 2.1 To reconfirm authority, first approved in the Single Member Decision E2741 dated 11th February 2015, that the Corporate Property Officer be authorised to enter into an agreement for lease leading to grant of a lease based on the agreed heads of terms. The structure of the transaction has been amended however and the contract will be a direct lease to commence from date of exchange.

2.2 To note that:

- (1) Assessment work undertaken has demonstrated that the value of services as a result of the Community Asset Transfer if externally procured is at least equal to or greater than the value of the rent abatement (£20,000pa)
- (2) A separate cost/benefit analysis has demonstrated a clear overall benefit to the public purse from the asset transfer project

2.3 To adopt and agree the Social Objects(Appendix 2) to be delivered as a result of the Community Asset Transfer and to note the arrangements set out in paragraph 5.8 for monitoring and review

2.4 To note the range of uses that are considered inappropriate for the environment as stated in para 3 of the Social Objects.

3 RESOURCE IMPLICATIONS (FINANCE, PROPERTY, PEOPLE)

3.1 These were set out in full in the previous report E2784 and have not altered for the proposed transaction to grant the lease to Genesis Trust.

3.2 There are no additional resource implications resulting from this current report.

4 STATUTORY CONSIDERATIONS AND BASIS FOR PROPOSAL

4.1 These were set out in full in the previous report E2784 and have not altered for the proposed transaction to grant the lease to Genesis Trust.

4.2 There are no additional considerations resulting from this current report

5 THE REPORT

5.1 Cabinet previously requested that further work take place with Genesis Trust to:

- More fully identify the social objectives which are to be delivered from these premises in favour of the community
- Formally agree and record these social objectives to be delivered by Genesis Trust
- Undertake an assessment to ensure that the value of those services if externally procured is at least equal to or greater than the value of the rent abatement and works to the building
 - The proposal is to abate the rent to nil during the entire term of the lease. The estimated rental value of the property, assuming the building is in good repair, is £21,000 pa. Genesis will be committed to investing a minimum of £60,000 to carry out a scheme of improvements, subject to approval by the Council. The value of those works can be rentalised and equates to a deduction of £4,000 pa. Therefore the net revenue foregone is £17,000 pa.
 - The Council are committing £100,000 to enable the refurbishment scheme of 97/101 Walcot St. If this sum is decapitalised over the 99

year term of the lease this would equate to an annual equivalent of roughly £1,000 per annum

- The capital input of £100,000 was approved and included in the 2014/15 Corporate Capital Estate Planned Maintenance cost plan and this has been carried forward into 2016/17.
- The total annual revenue amount of the rent foregone together with the decapitalised capital works delivered by the Council equates to approximately £18,000 per annum.
- The rent shown in the draft lease is £18,000pa.

The analysis was carried out at a slightly higher baseline rent of £20,000pa.

- Identify specific uses which should not be carried out from the premises which otherwise form part of Genesis Trust's activities:
 - The draft lease limits the Use in accordance with the aims and purposes set out in the charitable objects of, and in accordance with, the Memorandum and Articles of Association of Genesis Trust Bath. The statement of objects and usage will be annexed to the lease and may be varied from time to time to provide for similar charitable aims and purposes

5.2 The main aim of this Community Asset Transfer is to deliver significant improvements in the level of service offered by the Genesis Trust and this in turn will deliver measurable outcomes for vulnerable people in Bath and North East Somerset. In summary, the project will do this through:

- The expansion of the Genesis Life Skills project, which will see a doubling of the number of hours per week provided by Life Skills Facilitators and additional volunteer support. In addition, a new Genesis "Personal Fulfillment Programme" will see those in crisis gain access to a wide range of skills and activities with the support of a new role of Life Skills Navigator
- Establishing a new 'social enterprise' project named 'Acacia', providing work experience. This will be a high quality retail outlet for upcycled furniture, home crafts and appropriate bought-in goods. Acacia will provide work placements for those who are long-term unemployed. An Employment Navigator, another new role, will support trainees into employment. Genesis will work in partnership with Bath College to offer apprenticeships at Acacia and the Furniture Project, in retail, customer service and business administration.
- Enabling co-location of the 2 projects – Life Skills and Acacia. This will improve accessibility between the two schemes so help can be tailored to those who need it most and progression between the schemes supported.

5.3 Detailed discussions have taken place between the Council and the Genesis to identify how the Community Asset Transfer and associated projects summarised in 5.2 above will deliver key social objectives. These social objectives are set out

in detail in Appendix 2 and will be used to monitor and assess delivery of the Community Asset Transfer, under the following headings:

Objective One: Lever in new **resources**. New investment as a result of the project includes:

- £1m of capital funding from the Genesis Trust into the building
- Investment from Genesis Trust in new staffing totalling £189,378pa;
- Increased volunteer time to help vulnerable people gain the skills they need. The project will lead to an estimated additional 5,800 volunteers hours.

Objective Two: Produce defined **outputs** so that change and improvement can be measured. The project will see 117 people undertake work placements - 67 at Acacia and 50 at the Furniture Project - an increase of 77. All 117 people on work placements will complete certificated training opportunities and enhance their C.Vs. Based on similar external projects, as referred to in 5.5 below, a comparable unit cost for such a project is £600 per person per year, meaning that the costs if externally procured of this project would be in the region of £46,000 which compares well with the base £20,000 “rent abated” figure being tested.

Objective Three: Improved **outcomes** for people benefiting from the projects, particularly through helping people into work. These outcomes have a significant impact on reducing the longer-term cost of public services through focusing help on those most in need to gain skills and move nearer to the labour market. This reduces the overall burden on the public purse across a range of agencies, including health services and central government departments such as DWP. The Treasury and DWP place a cash “value” on the benefits of helping people back into work which can be used to assess this project. This identifies a direct annual “fiscal” saving to the DWP and Treasury of £9800 for Jobseekers who move into work. In addition, there is also an estimated reduction of a third in annual health service costs as a result of people being in employment. Through apprenticeships, community work placements and other trainee placements, this scheme aims to directly help 21 long-term unemployed people back into work per annum, a figure based on current experience at the Furniture Project. Using the JSA figures above, this would lead to a total full-year fiscal saving of £205,000 per annum to the DWP and £11,886 to the NHS. These savings - along with the wider social and economic benefits of helping people back into work - help identify a “total public value” of the project which can then be compared to cost (or, in this case, rent abated).

5.4 As well as clarifying the social objectives to be delivered, the Council has also analysed whether the value of services if externally procured is equal to or greater than the rental value abated (which is calculated at £20kpa). The Council has examined comparable services which it has externally procured to help inform this assessment. In particular it has made comparisons with schemes it has funded to help vulnerable groups to move closer to the labour market. These schemes have objectives comparable to this project including increasing participation in accredited learning and training, increasing work-related activity and/or entering sustainable employment. Based on these comparisons, advice received is that the rent abated is deemed good value for the outputs identified

5.5 As highlighted above, an initial Cost Benefit Analysis of the Community Asset Transfer has been undertaken, in order to assess the overall costs and benefits to the “public purse” of the project. This has used the New Economy Cost Benefit Calculator, which in turn draws on data from HM Treasury to assess the impacts on the overall fiscal position of public services of a range of projects and indicators, as well as identifying wider public benefits. The model makes provision for a wide range of factors and assumptions to be included, such as:

- The initial cost of the investment as well as future costs and discount rates applied
- The overall impact of projects on key outcomes, including potential “drop-off” rates and other factors
- Savings made to public services in the form of costs foregone and the impact of specific interventions

5.6 The model, based on conservative planning assumptions relating to employment outcomes from the project, currently shows a positive “Net Present Value” (NPV) of the scheme over the assessed twenty five year period. An initial sensitivity analysis indicates a positive NPV across a range of assumptions. Due to the nature of the scheme and its focus on employment support for those furthest away from the labour market, the model identifies that the majority of benefits accrue to the public purse through the DWP, with some benefits also accruing to health services.

5.7 The Council has worked with Genesis to identify arrangements for monitoring and assessing delivery against the Social Objects. This will entail an annual review of objectives, to be made publicly available. As part of this review, amendments to the next year’s indicators will be agreed and the cost/benefit analysis refreshed in the light of that year’s data.

5.8 There is also significant potential to strengthen the links between the work of the Genesis Trust and other partners contributing to tackling unemployment.

5.9 Included in the Social Objects are uses which are considered inappropriate for the site. These will be specifically excluded and set out as prohibitions in the lease.

- Soup Run
- Residential use for clients

6 RATIONALE

6.1 Cabinet requested that further information be gathered to assess the value of the community benefits gained by the work of Genesis Trust

6.2 The report has set out an analysis of the community benefits compared to the rental value abated.

7 OTHER OPTIONS CONSIDERED

7.1 None

8 CONSULTATION

8.1 Council Economic Development team

9 RISK MANAGEMENT

9.1 A risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision making risk management guidance.

Contact person	<i>Richard Long x7075 (or Keith McCombie x7976)</i>
Background papers	<i>None</i>
Please contact the report author if you need to access this report in an alternative format	

APPENDIX

Social objectives to be delivered by Genesis Trust as a result of the Community Asset Transfer

A) OBJECTIVE- LEVERING- IN ADDITIONAL RESOURCES

Benefits arising from the Community Asset Transfer

Roles	New Resources per annum (Hours)	New Resources per annum (£)
Life Skills Facilitators	2080 hours	£22,344
Life Skills Navigator	1950 hours	£20,948
Life Skills Volunteers	559	£4,612 (measured at living wage)
Acacia Retail Staff	3900 hours	£43,911
Acacia Workshop	3120 hours	£32,857

staff		
Employment Navigator	1950 hours	£20,948
Acacia Volunteers	5304 hours	£43,758 (measured at living wage)
Total		£189, 378

B) OBJECTIVE- DELIVERING MEASURABLE OUTPUTS

Life Skills

	Additional outputs per annum
Increase in number of Life Skills clients	181 clients
Increase in number of sessions	442 sessions
Increase in activity hours	5587 hours
Increase in number of attendances	2527 attendances
Increasing clients accessing work placement	37 clients

Acacia and Furniture Project

	Additional outputs per annum (people)
Apprenticeships undertaken	3
Extra work placements offered	77 (67 at Acacia & 10 at the Furniture Project)
Acacia trainees completing at least 1 certificated course	67
Furniture Project trainees completing at least 1 certificated course	40

C) OBJECTIVE- DELIVER BETTER OUTCOMES

	Additional outcomes per annum (people)
Fiscal benefit (including improved health outcomes) of moving people off benefits and into work	21
Increase in people gaining NVQ Level 2	2
Improved mental health (increased confidence/self esteem)	71