



RECORD OF DELEGATED OFFICER DECISION

Key Decision ✓

Operational Decision

SUBJECT: RCT Together – Community Asset Transfer of part of the former Genesis Day Nursery, Penygawsi

PURPOSE OF REPORT:

To approve the partial asset transfer of the former Genesis Day Nursery in Penygawsi by way of a 12 year lease to "Llantrisant Feelgood Factory Limited".

In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended officer decision of the Director or Corporate Estates and Procurement as described below.

DELEGATED DECISION (Date):

Agreed to approve the partial asset transfer of the former Genesis Day Nursery in Penygawsi by way of a 12 year lease to "Llantrisant Feelgood Factory Limited".


Chief Officer Signature

COLW AMGO
Print Name

20/12/16.
Date

The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

CONSULTATION

Jay Lesser

20/12/16

CONSULTEE CABINET MEMBER SIGNATURE

DATE

Harry

20/12/16

CONSULTEE OFFICER SIGNATURE

DATE

CALL IN PROCEDURE RULES.

IS THE DECISION DEEMED URGENT AND NOT SUBJECT TO CALL-IN BY THE OVERVIEW AND SCRUTINY COMMITTEE:

YES NO ✓

Reason for urgency:.....

If deemed urgent - signature of Mayor or Deputy Mayor or Head of Paid Service confirming agreement that the proposed decision is reasonable in all the circumstances for it being treated as a matter of urgency, in accordance with the overview and scrutiny procedure rule 17.2:

.....
(Mayor)

.....
(Dated)

NB - If this is a reconsidered decision then the decision Cannot be Called In and the decision will take effect from the date the decision is signed.

FOR CABINET OFFICE USE ONLY

PUBLICATION & IMPLEMENTATION DATES

PUBLICATION

Publication on the Councils Website:- 20/12/16

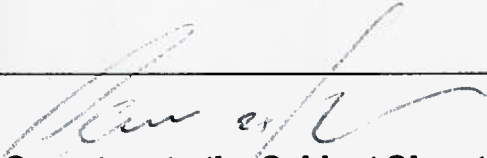
DATE

IMPLEMENTATION OF THE DECISION

Note: This decision will not come into force and may not be implemented until the expiry of 5 clear working days after its publication to enable it to be the subject to the Call-In Procedure in Rule 17.1 of the Overview and Scrutiny Procedure Rules.

Subject to Call In the implementation date will be 29/12/16

DATE

 Secretary to the Cabinet Signature	CHRISTIAN S. SHANAGAN Print Name	20/12/16 Date
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Further Information

Directorate:	Corporate and Frontline Services – Corporate Estates and Procurement
Contact Name:	Debra Hanney
Designation:	Community Asset Development Officer
Tel.No.	01443 744517

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2016/17

**REPORT TO ACCOMPANY DECISION OF
GROUP DIRECTOR, CORPORATE AND FRONTLINE SERVICES**

Part 1
(Non-Confidential)

RCT Together – Community Asset
Transfer of part of the former Genesis
Nursery, Penygawsi

1. PURPOSE OF THE REPORT

- 1.1 In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended Officer decision of the Director of Corporate Estates and Procurement.

2. DECISION

Decision to:

- 2.1 Endorse the transfer of part of the former Genesis Nursery, Penygawsi to "Llantrisant Feelgood Factory Limited" by way of a 12 year lease as set out in paragraph 5.

3. BACKGROUND

- 3.1 The Council's RCT Together Approach for progressing Community Asset Transfers was agreed by Cabinet at its meeting on the 30th October 2014. This approach will see the Council working with communities and partner agencies to sustain delivery of services that the Council may no longer be able to deliver on its own.
- 3.2 Applications are considered from non profit distributing voluntary and community groups or companies for activities, services and facilities which benefit residents within Rhondda Cynon Taf.
- 3.3 To date over 112 formal Expressions of Interest have been received from a variety of existing and newly established groups with proposals ranging from taking over small paddling pools to museums and day care centres. The asset transfer of the Muni Arts Centre has been recognised by the Welsh Government as a way of good practice and was referred to in its recently published document "Community Asset transfers in Wales" Best Practice Guide.

- 3.4 At the Council meeting on the 19th May 2016, it was agreed that applications for asset transfer could now be dealt with under the Council's Delegated Decisions framework. High Level Asset Transfers will need to be reported to Cabinet, if officers and the appropriate Cabinet member feel this is appropriate.

4. **APPLICATION FROM LLANTRISANT FEELGOOD FACTORY LIMITED**

- 4.1 The FeelGood Factory have been in existence since March 2013 operating as a commercial business and providing power assisted exercise opportunities to the residents of Llantrisant and surrounding areas. As the business has developed and membership has increased they have seen a year on year reduction in their initial losses. They advise there is no other facility like this available within RCT.

Actual Income and Expenditure

Year end	2014	2015	2016 (projected)
Income	£23,455	£32,769	£31,092
Expenditure	£37,807	£41,208	£40,029
Profit/(Deficit)	£(14,352)	£(8,439)	£(8,937)

- 4.2 They have recently with the support of Social Firms Wales and Interlink made the decision to set up as a newly registered company limited by guarantee with social enterprise principles. This move will allow them to take advantage of eligibility criteria for grant funding and potential concessions on key areas of expenditure and have the potential to turn them from a loss making commercial business into a sustainable social enterprise. The original private company will continue to exist as it holds the loan for the purchase of the Shapemaster equipment. The social enterprise will hire the equipment at a reasonable market rent from the original private company.

Projected Income and Expenditure

Year ended	31/12/17	31/12/18	31/12/19
Income	39,753	47,976	53,904
Expenditure	33,858	40,368	42,396
Profit/(deficit)	£5,895	£10,632	£11,508

- 4.3 They have a commercial lease at their existing premises at Unit 2, Sovereign Court, Sterling Drive, Llantrisant, Wales, CF72 8YX which we have been informed they will need to relocate from by 31st January 2017. Their current venue does not offer them sufficient accessible parking for members and they are based on a commercial industrial estate. It is envisaged that by moving to the former Genesis Nursery Site (Penygawsi), located adjacent to Llantrisant Leisure Centre, they will see an uptake in membership due to its location being on a bus route, the proposed venue is more centrally located in Llantrisant and

has plenty of accessible parking opportunities. The new site has a bigger internal footprint and will allow them to expand their delivery programme to include complimentary therapists who can provide complimentary therapy services including Reiki, reflexology, massage, podiatry, physiotherapy, Eastern acupuncture, chiropractic.

4.4 Their stated aims and objectives are to provide a facility for exercise for “the 80% of people who are unable to use, or are inhibited by the thought of using a conventional gym”. They state they do this by providing a relaxed, non-judgemental, non-competitive environment using 6 x Shapemaster toning chairs and 6 Shapemaster toning tables. All staff and volunteers have received training for the application of the variety of exercise functions as provided by these power assisted exercise equipment.

4.5 Their target market includes anyone over 16 years of age including;

- Individuals, who cannot or are inhibited by the conventional gym concept, but who still want to exercise.
- People who want to join the facility for social interaction, with the exercise being a secondary consideration.
- People with certain chronic medical conditions, who need to be able to exercise to assist with their condition or those with learning disabilities.

******All members are currently asked to complete a Par Q questionnaire to assess their current state of health.***

The Feelgood Factory have made great efforts (but to no avail) to support potential referrals into and out of the service and have made contact with Occupational Therapists, GP's, Physiotherapy Departments etc.

******We have been advised by colleagues in Leisure, that the FeelGood Factory would not be able to refer people direct onto the National Exercise Referral Scheme or pathways for chronic conditions, but would need to signpost members to their GP or consultant for referral in the first instance.***

Concerns were raised that members of the public who present at the FeelGood Factory venue with health risks or complex medical issues should be assessed by a medically qualified exercise professional (GP or specialist) who then makes the appropriate referral. The only people the FeelGood Factory would be able to cater for within the national protocols and framework would be members of the population who have no contra indicators on a Par Q questionnaire or those with a letter from a GP saying they are safe to undertake mainstream activity.

4.6 They currently employ two part time members of staff and envisage providing future employment, volunteering and training opportunities for up to 3-5 individuals with physical disabilities. The newly formed Board of 7 directors have a range of experiences and skills including accountancy, pharmacy, complimentary therapists, stress management practitioner, administrative experience, primary school teacher and carer experiences. They currently operate 6 days per week. The added security of a longer term lease will allow them to develop the business further to meet the needs of their particular client group.

4.7 They currently have 86 members and have the following pricing policy;

- Monthly fee of £35 paid by standing order
- A six monthly fee of £195
- An annual fee of £360 paid up front
- Family or group membership ie. Joint membership of £60 per month
- Pay as you go membership at available at £8 per session
- Associate member organisations eg. Drive/Catrefi Cymru pay £5 per session

In addition to their main source of income from membership fees, they also aim to generate income from hiring out to space to local complimentary therapists and through the provision of refreshments and general fundraising activities. Their aim through appropriate promotion and the new move is to engage up to 150 regular paying members.

4.9 The Feelgood Factory have advised us they require the following funding to support the transition from their current venue. They have applied to the RCT Together Community Enabling Fund as follows (figures include VAT)

• Legal Costs	£2000.00
• Relocation of equipment	£720.00
• Refurbishment of premises (decoration)	£1950.00
• Servicing existing equipment	£1152.00
• Blinds for windows	£175.00
• Equipment	£1175.62
• Steel bench	£44.99

TOTAL COSTED PROGRAMME = £7,2171.61

The Community Enabling Fund Grant of £7121.61 has been confirmed as being awarded on 20/12/16 subject to the authorisation of the business case for transfer of the Penygawsi Day Nursery to the FeelGood Factory.

- 4.9 The Group have advised they would like to seek additional capital funding to reconfigure their proposed area of occupation at a later date. The above funding from the Community Enabling Fund will allow them to recommence trading at the new venue with minimised disruption to the existing service.
- 4.10 The FeelGood Factory are open to working collaboratively with other local groups including the local Grow For It group and the local Bowls and Tennis Club to explore how they can broaden a range of health and wellbeing experiences to local residents.
- 4.11 The FeelGood Factory are also a keen supporter of local charities and regularly hold coffee mornings and bake sales to raise monies for these good causes. The group feel this social aspect of their business is as much a benefit as the physical exercise aspect of it which aims to improve mobility and general well-being.
- 4.12 The FeelGood Factory have submitted evidence of support including consultation responses, testimonials from current members, letters of support including input from Drive, The Physicians Clinic, Nick Wall Senior Adviser to Mick Antoniw (AM), Dr. Jean Morris, Dr. Paula Varma, Community Sport Officers and Innovate Trust to name a few.
- 4.13 Anticipated Outcomes from proposed lease transfer;
- Increase accessibility to the service
 - Provide an improved service for existing members
 - Offer volunteering and employment opportunities for local people.
 - Reduce social isolation and loneliness
 - Improve social networks
 - Improve physical, mental, emotional and social well-being
- 4.14 Llantrisant FeelGood Factory Limited is requesting the transfer of a section of the former Genesis Nursery (Penygawsi) by way of a 12 year lease.

5. **Report Summary**

- 5.1 At the meeting of the Community Asset and Service Transfer Panel (CAST) on the 23rd November 2016, an assessment of their business proposals was undertaken. A summary of the scorings can be provided if requested.
- 5.2 The organisation has a good reputation amongst its existing client group but has struggled to make headway in engaging with the public sector to secure referrals. The steer we have received from colleagues within the Leisure Service is due to national guidelines and protocols for exercise by any member of the public who present with contra

indicators on the Par Q questionnaire is to ensure that any persons attending the Feelgood Factory need to;

- Present no contra indicators on their Par Q questionnaire

or

- Have a letter from a GP saying that they are safe to undertake mainstream physical activity.
- The FeelGood factory will also need to ensure they have the appropriate Public Liability cover in place

We will aim to address these concerns and share good practice guidance through the mechanism of a service level agreement which will accompany the lease terms and ongoing post asset transfer support provided by RCT Together Team and voluntary sector support agencies.

- 5.3 The FeelGood Factory proposal contributes to both the RCT Single Integrated Plan and the Welsh Government's "Taking Wales Forward 2016-2021" Plan by addressing and contributing to the following themes;

Prosperous and Secure

- People have the education and essential skills to secure employment
- Businesses are supported to thrive and grow

Healthy and Active

- People have a sense of emotional well-being and are more resilient to mental illness.
- Fewer people are overweight or obese
- Adults are able to live independent and fulfilled lives.

The FeelGood Factory aim is to do this by;

- Providing a high quality accessible exercise facility.
- Preventing additional health problems related to lack of exercise, both physical and emotional.
- They aim to reduce loneliness and isolation by providing an environment to socialise and meet new friends. They provide a communal seating area and refreshments to support this.
- They are committing to achieve a workforce made up of 20% or more of people with physical disabilities, or at a disadvantage from finding employment in the open labour market.
- Offering self-employment opportunities for local therapists and complimentary practitioners to practice within the therapy rooms.

- Promoting and improve the social well-being of people living in and working where the organisation operates, and enable service users to improve or maintain their physical fitness, and to provide a facility where individuals can meet and socialise thus building self-esteem and confidence and also improve their emotional and social well-being”
- One of their mottos is “There are no strangers here only friends in the making”

5.4 This proposal is unlikely due to the nature of the business generate high levels of profits. At best by supporting the FeelGood Factory, RCT Council will be supporting the organisation to deliver on its social aims of providing supported/power assisted exercise for mainstream clients and socialisation opportunities for targeted members. All profits will be reinvested into sustaining the current delivery programme.

5.5 There is a recognition that new board members are at the start of their learning journey and that over time will take on more and more responsibilities once the organisation has established in the new location. The RCT Together team along with Interlink and Social Firms Wales will continue to provide post asset transfer support and training opportunities and support with engaging and recruiting new volunteers.

5.6 The benefits of Community Asset Transfers are potentially substantial and varied, depending on the extent to which the asset can be utilised for maximum community benefit.

Community based organisations develop styles of engagement that are more effective than other forms of ownership because they are directly accountable to their customers. Communities that come together to plan and deliver services can make them more inclusive and responsive than state run services.

By transferring control to community based organisations, asset transfer can:

- Empower communities to shape the places in which they live and work.
- Involve communities in co-designing, transforming and delivering the services from which they benefit.
- Be a catalyst for skills development / volunteering opportunities / job creation / business development.
- Promote 'community anchors' and resilience in deprived neighbourhoods through the provision of space / opportunities for local enterprise activity.
- Lever in capital and revenue funding dependent on the proposal and evidenced community need

5.7 In conclusion, this proposal demonstrates both strengths and weaknesses within their business case. The business has built up a loyal membership over the past three years who are passionate about relocating the FeelGood Factory provision. Going forward the

Company Limited by Guarantee with social aims will need to ensure it continues to build on the current membership in order to break even and make the venture sustainable.

- 5.8 It should be recognised that based on advice and guidance received from appropriate Council officers that the FeelGood Factory should only be seen as a mainstream activity provider and their target client group should not be clients with the most chronic conditions or those who require high dependency support as they will never be in a qualified position to support these within the current protocols and framework for the National Exercise Referral Scheme. Even if the staff had the appropriate qualifications ie Level 2 GP and Level 4 Specialist populations qualifications, the Council could not support, endorse or have any connection with an organisation exercising such populations outside of the national framework, protocols and criteria.
- 5.9 The National Exercise Referral Scheme in Llantrisant would be able to signpost to the FeelGood Factory service for customers as they complete and exit the National Exercise Referral programme, if it is safe and appropriate to do so, as one of the mainstream physical activity opportunities within the community.