

Section Contents

**HATHERSHAW & FITTON HILL NEW DEAL FOR COMMUNITIES (NDC)  
SUCCESSION STRATEGY - CONTINUING AND SUSTAINING GROWTH INTO A  
BRIGHTER FUTURE**

**DRAFT SUBMISSION TO DEPARTMENT OF COMMUNITIES AND LOCAL  
GOVERNMENT – OCTOBER 2009**

**CONTENTS:**

- 1. EXECUTIVE SUMMARY**
- 2. SUCCESSION STRATEGY**
- 3. ASSET REGISTER & FUTURE MANAGEMENT STRATEGY**
- 4. RISK REGISTER & RISK MANAGEMENT STRATEGY**
- 5. HONEYWELL TRUST BUSINESS PLAN**
- 6. APPENDICES**

Charlie Parker  
Chief Executive  
Oldham Metropolitan Borough Council

Gordon Roscoe  
Chief Executive  
Hathershaw & Fitton Hill New Deal for Communities

Section 1: Executive Summary

**1. EXECUTIVE SUMMARY**

- 1.1 It is proposed to establish a charitable 'Company Limited by Guarantee', the Honeywell Trust, to succeed the NDC Partnership and manage the NDC assets. The Company Board will have a majority of local residents/business representatives and will be accountable to Oldham Council and a Neighbourhood Forum. The Board will employ a small staff team.
- 1.2 The work of the Trust will be funded by revenue income from the NDC assets.
- 1.3 The Trust will work in partnership with voluntary and community groups and partner agencies to continue to facilitate community empowerment and to tackle the ongoing regeneration issues in the NDC area. The respective roles and responsibilities will be set out in a joint Delivery Plan.

Section 2: The Succession Strategy

## **2. THE SUCCESSION STRATEGY**

### **i) The Context - Growing Into A Brighter Future**

2.1 In 1999/2000 a partnership led by Oldham Metropolitan Borough Council (the Council) successfully bid for a New Deal for Communities (NDC) programme in Hathershaw & Fitton Hill. The 10 year grant NDC grant funding of £53.3 million was agreed. The ten-year community-led regeneration scheme commenced in 2001 and is due to end on 31<sup>st</sup> March 2011. The Council is the Accountable Body and the NDC programme is managed by a Partnership Board comprising elected local residents and nominees from partner organisations.

2.2 The vision of the programme was and remains that:

'Hathershaw & Fitton Hill will be a place where people choose to live and work, within a community to which they are proud to belong'

2.3 The objectives of the programme are to:

- Create a unified and confident community
- Tackle crime & the fear of crime and create better neighbourhoods
- Raise income levels
- Promote health & wellbeing – reducing health inequalities & creating more opportunities to enable citizens to lead healthy, active and longer lives
- Remove the barriers to work, create jobs & support businesses, improving and increasing employment opportunities and skills attainment for local people and creating an environment to encourage entrepreneurship and investment
- Raise levels of education and aspirations
- Create a quality environment including bringing housing up to the decent homes standard
- Increase engagement with young people.

### **ii) Hathershaw & Fitton Hill**

2.4 The NDC area lies a mile south of Oldham town centre straddling Ashton Road, the main route from Oldham to Ashton, which is lined with retail and other commercial premises and terraced houses. It forms part of the southern gateway into the centre of Oldham.

2.5 Hathershaw bears the legacies of the textile industry and is characterised by a number of mill buildings and densely packed terrace houses originally built in the 19<sup>th</sup> century to accommodate mill workers. The houses are mainly owner-occupied with some privately rented while there are pockets of council properties and more recent housing association developments. Some of the mills have fallen into disrepair while others have undergone some poorly planned and badly constructed conversions into multi occupancy buildings. Hathershaw has a significant, and growing, 'Black and Ethnic Minority' (BME) population.

2.6 NDC has been working in partnership with the Council and the Oldham & Rochdale Housing Market Renewal Pathfinder (HMR) to assemble land for the development of around 230 new houses in Hathershaw.

Section 2: The Succession Strategy

- 2.7 Fitton Hill is one of several former local authority estates in Oldham built on green field sites in the 1950s and 1960s to re-house people displaced by slum clearance. The NDC has assisted in funding a stock transfer of the social housing stock from the Council to Villages Housing Association. This has enabled Villages to work towards improving the stock to 'Decent Homes Standard'. 248 houses/flats have also been demolished, providing sites for the development of around 450 new houses. During the lifetime of the programme there have been a significant number of sales to owner occupiers through "right to buy". The majority of the population in Fitton Hill is 'white British'.
- 2.8 The NDC area is a multicultural area with an estimated population of 8,721 (2006 ONS) of whom 5,180 (59%) are of working age with 2,143 (25%) being under 15. The population has declined since the start of the programme but will increase again as new housing development takes place. The number of residents of South Asian origin has increased significantly over the past few years from 6% at the start of the programme to around 15% now. A recent change to the demographics has also been the influx of Eastern European migrants.
- 2.9 Accurate unemployment figures specific to the artificial NDC area are hard to obtain but in 2002 the rate of worklessness was 20.9% of the population with a further 29.4% in receipt of out of work benefits, mainly Incapacity Benefit and Income Support. Generational unemployment and the benefits trap were key problems faced in trying to move people into work.
- 2.10 At the start of the NDC programme in April 2001 Hathershaw & Fitton Hill was one of the most deprived areas in Oldham, the North West and England. The NDC Partnership Board has worked closely with partners, residents, businesses and community groups to make significant inroads into the key deprivation issues in the area. Up to 31 March 2009 £19,857,719 revenue and £27,962,708 capital investment had taken place leveraging in £11,857,719 of match funding and private investment. A further £2,822,536 of revenue and £4,667,100 of capital investment is due to take place in 2009/10 and 2010/11.
- 2.11 The NDC area covers the majority of Medlock Vale ward and a small part of Alexandra ward. The ward boundaries have changed during the lifetime of the programme. In 2001 Alexandra ward was ranked the 83<sup>rd</sup> most disadvantaged ward in England, amongst the most deprived 1% nationally while Medlock Vale was ranked 890<sup>th</sup> – just outside the worst 10% nationally. Low educational attainment and low aspirations especially amongst young people was a major issue, low levels of employment in a low pay low skills economy, poor health, and very high rates of anti social behaviour and crime, especially burglary, were major problems. Low aspirations combined with low expectations exacerbated the cycle of deprivation.
- 2.12 The majority of the businesses in the NDC area were SMEs, most of them lifestyle businesses with fewer than 10 employees. In 2000 there were 216 businesses in the area; by 2005 the number had shrunk to 182. A number of the shops on Ashton Road had closed while others looked shabby and run down with low customer footfall; many of the mill buildings were empty or underused with their economic potential unrealised. The empty and derelict premises further contributed to the generally rundown appearance of much of the area.

Section 2: The Succession Strategy

2.13 This lack of investment in the area had seen its steady decline, with major social problems creating huge gaps with the rest of the Oldham Borough. Prior to 2005 very little had been done to stimulate the local economy and there was very little evidence to suggest that there was an entrepreneurial spirit amongst the local population. There were few local facilities and also very little social infrastructure – a few community groups and activists but no co-ordinated effort to empower local residents and give them a say in what was happening in their area.

**iii) What Has Been Achieved?**

2.14 The NDC programme has created a number of community assets and enabled significant improvements to be made in reducing deprivation levels across a number of indicators. It has been also very successful in enabling residents in the area to become more empowered and to start to realise their full potential. However the regeneration of the area is a long haul and this is very much still a work in progress. Worklessness and health improvement in particular are national issues that will endure beyond the lifetime of the programme. A list of key achievements is attached, see **Appendix 1** “NDC Achievements 2001 – 2009”.

**a. Creation of assets**

2.15 The following property assets have been created or are proposed:

- Honeywell Centre – Community, events and local Service Centre
- Langham House – current NDC offices to become managed office space
- Ashton Road Business premises – shop properties in Hathershaw Shopping cluster
- Belgrave No. 2 Mill – workspace/land assembly for workspace
- Borough Mill Triangle properties – land assembly for housing
- Top Floor, Earl Mill –managed workspace
- Ashton Road Car Parks (4no.) – supporting Ashton Road shops
- BMX/Skate park – leisure facility
- Ashton Road/Noble Street Pocket Park –recreation area
- Fitton Hill Sports Zone (completion June 2010) - Leisure & recreation facilities
- Fitton Hill Neighbourhood Centre (completion March 2011) – Integrated Health & Well Being Centre

2.16 These assets now form a very solid foundation for the NDC successor vehicle. They will:

- act as ‘community anchor’ facilities providing local services and bases for local residents, community groups and social enterprises
- provide revenue income to support the costs of running a Community Development Trust (Honeywell Trust)
- provide bases for activities designed to address the continuing regeneration needs of the area

**b) Tackling deprivation**

2.17 Key areas of improvement in the NDC area since 2001 include reductions in crime figures, better educational attainment, increased participation in training, physical activity and community groups and growth of small businesses.

Section 2: The Succession Strategy

However some areas of deprivation such as poor health and worklessness still endure and will remain key objectives in the succession strategy. These issues are not unique to Hathershaw & Fitton Hill or Oldham and need to be addressed in a national context.

**c) Community engagement, development and empowerment**

2.18 Perhaps most importantly the NDC has achieved a very high level of community engagement, community development and community empowerment. This in turn has helped to promote community cohesion with people of different ages, ethnicity and geographical areas working closely together to address shared issues. Residents in the area are now much better equipped to achieve their full potential and this transformational change needs to be sustained as one of the main legacies of the NDC programme. Community groups are already well practised at organising events, bidding for funds and negotiating with professional service providers. The social capital in the area should not be underestimated and this resource needs to be fully utilised in implementing the NDC Succession Strategy

2.19 The NDC interventions have taken place under thematic headings. However most of the interventions have had a cross-cutting impact. In looking at the succession strategy the achievements of these interventions are categorised in Appendix 1 as follows:

- Projects completed on a 'task and finish' basis
- Projects that can be sustained through the Voluntary, Community and Faith (VCF) sector
- Projects that need to be sustained by partners
- Projects to be sustained by the Honeywell Trust (see below)

**iv) Why A Succession Strategy?**

2.20 The NDC Board has long expressed the desire to sustain and build on the improvements and benefits made in the NDC area into the long term, to protect the investment made, locking in the assets, and to continue to empower the community and benefit local residents. The Council, Oldham Partnership (OP) and the NDC Board are therefore very clear that there needs to be a viable NDC Succession Strategy both to ensure that the gains made by the NDC programme are not lost and also to continue to tackle the deprivation issues that endure.

2.21 This view is clearly supported by DCLG guidance (Programme Note 44 [PN44]) which states that while NDCs have been funded for 10 years, it has always been the intention that the benefits that they have brought about should be extended beyond the lifetime of the programme.

**v) Development of the Succession Strategy**

2.22 The NDC Board has been developing its Succession Strategy over a period of two years through a series of facilitated discussions led by experienced neighbourhood renewal practitioners:

- Ian Smith – former NDC Chief Executive, NDC Chair, Neighbourhood Renewal Advisor and Neighbourhood Management Pathfinder Manager
- BCT Regenesys – Consultancy arm of Blacon Community Trust

Section 2: The Succession Strategy

- Community Concepts – Business Planning for the Honeywell Centre
- Paul Dunn – Community empowerment through Neighbourhood Agreements

Council representatives and other partners have played a key part in these discussions.

- 2.23 The Succession Strategy has therefore been through a lengthy period of structured development and robust challenge through a series of workshops and consultations.
- 2.24 An NDC Forward Strategy Conference- Leading the Way Together - was held on 5 July 2009 facilitated by Sam Tarff, former Chief Executive of Nottingham NDC, a former Chair of the Development Trusts Association and current head of the NDC Neighbourhood Regeneration Agency. This brought the NDC staff and Board members together with representatives from the Council and other key partners. The purpose of the conference was both to provide a briefing on the draft Succession Strategy and to invite further challenge before the Strategy was finalised. Community consultation on the Strategy took place from 7- 9 September 2009.
- 2.25 The draft Strategy was endorsed by Oldham Partnership Chief Executives Management Board on 3 August 2009 and the Council Joint Leadership on 27 August 2009. It was formally approved by the NDC Board on 22 September 2009 and the Council's Cabinet on 7 October 2009.
- 2.26 The development of the Strategy has had regard to a number of relevant key policy documents that have been published in the last few years:

**National**

- Action Plan for Community Empowerment - 2007
- Strong & Prosperous Communities White Paper - November 2007
- Communities in Control White Paper - July 2008
- Transforming Places Changing Lives - May 2009

**Sub Regional**

- Manchester Multi Area Agreement – June 2008
- Manchester Independent Economic Review 2009
- Manchester City Region Pilot - May 2009

**Oldham**

- Oldham Community Strategy 2008-2020
- Oldham Local Area Agreement 2008-2011
- Refresh of LAA – March 2009
- Oldham Council Citizens' Plan 2008- 2011
- Oldham Primary Care Trust Primary Care Services Strategy 2004-2007
- Housing Market Renewal Business Plan – April 2008 –March 2011

**Hathershaw & Fitton Hill**

- Hathershaw & Fitton Hill Spatial Masterplan

Section 2: The Succession Strategy

- 2.27 The development of the Strategy has involved considering both the purpose of the succession and also a number of options in terms of governance and roles and responsibilities.
- 2.28 PN44 makes it clear that the preferred option has to provide both for continuing community empowerment and the safeguarding of the NDC assets for the benefit of Hathershaw & Fitton Hill. In addition to these issues it is important that the Strategy also identifies and empowers the appropriate agencies to continue to:
- Tackle the ongoing deprivation issues in the area
  - Implement the Spatial Masterplan for the area
  - Engage the community in place-making and place-shaping
  - Improve the delivery of key local services
- 2.29 The starting point was to consider the future ownership and management of the NDC property assets in the context of their key role as community anchor facilities.
- 2.30 The options considered include:
- Establishment of an independent legacy body (within this option a number of legal models have been considered including the establishment of Community Interest Company.)
  - Leave the assets with the Council to continue to be managed for the benefit of Hathershaw & Fitton Hill
  - Transfer the assets to another established organisation (e.g. a registered Social Landlord, Groundwork, Oldham Community Leisure Limited) to continue to be managed for the benefit of Hathershaw & Fitton Hill
- 2.31 In evaluating all of the options the NDC Board was been very mindful of the over-riding need to ensure that the operation of the NDC assets remains sustainable and that the assets are professionally managed. However it has also been important to secure a high level of community engagement and empowerment.
- 2.32 The consensus throughout has been that the Board and the Council should work towards the establishment of an independent legacy body.
- vi) Continuing and Sustaining Growth into a Brighter Future – The NDC Succession Strategy**
- 2.33 The Succession Strategy falls into 3 parts:
- i) establishment of an NDC successor body - the Honeywell Trust:
    - to continue some limited but very important aspects of the work of community-led regeneration in Hathershaw & Fitton Hill
    - to manage the NDC assets
    - to provide support to the VCF sector
    - to advocate and lobby partners
  - ii) activities and projects that can be sustained through the Voluntary and Community and Faith (VCF) sector

Section 2: The Succession Strategy

iii) interventions and services that need to be sustained by partner agencies

A joint Delivery Plan will be prepared setting out the roles and responsibilities of each party

### **The Honeywell Trust**

- 2.34 It is proposed, in line with DCLG guidance, that a company limited by guarantee with charitable status, the Honeywell Trust, be established as a key part of the NDC's succession strategy. The establishment of a Community Development Trust is seen as the most appropriate model of sustaining community empowerment and community 'ownership' of a mixed economy of assets. The vision for the Honeywell Trust is to become a community anchor enabling residents, businesses and community groups in Hathershaw & Fitton Hill to fulfil their full potential and to get the best out of local services through working in partnership with the Oldham Partnership and a range of other service providers.
- 2.35 The NDC Board has agreed that the main purposes of the Trust will be to act as a 'community anchor' focussing on the following:
- Management of the NDC assets – Honeywell Centre, Ashton Road & Earl Mill Business premises, Fitton Hill Neighbourhood Centre and Fitton Hill Sports Zone;
  - Continuation of a limited number of key projects/activities based on the NDC assets and designed to address the continuing deprivation issues in the Hathershaw & Fitton Hill area i.e. health improvement/physical activity, jobs & training, children & young people and neighbourhood agreements;
  - Maintaining and developing the mechanisms for community engagement and involvement in 'place making/place shaping' - meeting the government's aspirations for community empowerment;
  - Advocacy, lobbying & influencing to ensure that the area receives appropriate levels of service provision and LAA funding (Neighbourhood Agreements) and influencing the design of such provision;
  - Maintaining a key role in monitoring and influencing regeneration strategy & Masterplan Implementation;
  - Accessing funding from external agencies that may not be available to other (public sector) bodies;
  - Development of social enterprise;
  - Continuing to develop and share good practice and respond to opportunities both within and beyond the NDC area

These are the key areas where the Trust can 'add value' and provide a framework for continuing community empowerment.

- 2.36 The succession strategy for Hathershaw & Fitton Hill will, in addition to demonstrating financial viability going forward, ensure that outcomes delivered are aligned with LAA outcomes and other local, regional and national priorities as below (Para 2.52 to 2.59).

### **Governance**

Section 2: The Succession Strategy

2.37 The proposed Company Limited by Guarantee will have an Interim Board comprising 12 members:

- Independent Chair
- 6 residents residing in the Area of Benefit
- 1 representative from Oldham MBC
- 1 local business representative
- 3 partners or co-optees

The draft Memorandum and Articles are attached as **Appendix 3**.

2.38 The company will be registered as a charity.

### **Accountability**

2.39 The company will be legally constituted as a Company Limited by Guarantee with a Board that blends the need for local representation with the need for an appropriate mix of skills and experience.

2.40 The Trust may have a number of Sub Groups advising on:

- Honeywell Centre management
- Fitton Hill Sports Zone Management
- Fitton Hill Neighbourhood Centre Management
- Earl Mill & Ashton Road Commercial Premises management
- Masterplan implementation
- Tackling deprivation – community involvement with LAA
- Community empowerment – Neighbourhood Agreements

2.41 A Neighbourhood Forum is also to be established to act as a wider reference group for the company to inform, monitor and scrutinise its activities. The Forum will include representatives from:

- West Oldham District Partnership and Ward PACTs (Partners and Communities Together)
- Alexandra & Medlock Vale Community Groups Network
- TNT Residents Group
- Key Individuals Network (KIN)
- Registered Social Landlords

### **Office/ staff team**

2.42 The Trust will employ its own staff team funded through the revenue income from the assets (some existing NDC staff may be eligible for TUPE transfer). The staff team will be based in the heart of the area at the Honeywell Centre. The staff team may expand as revenue income increases through trading and/or funding bids but it is very important that core staffing is lean to avoid over-commitment. The forecast revenue income is sufficient to support:

- The operational staff and/or management contracts needed to manage and operate the facilities;
- A small staff team to act as an executive and manage the day to day business of the Trust/company.

Section 2: The Succession Strategy

**Area of benefit**

- 2.43 It is proposed that the primary area of benefit should remain Hathershaw and Fitton Hill. However the NDC boundaries are somewhat artificial and do not sit neatly with ward and PACT boundaries. In some cases one side of a street is within the NDC area and the opposite side is not. It is therefore proposed that the 'Area of Benefit' should be drawn slightly more widely than the NDC area to include the adjacent areas of Medlock Vale ward in Bardsley and Coppice and the Primrose Bank area immediately to the north of the NDC area. Some residents from these areas are already working closely with NDC through the Medlock Vale Neighbourhood Agreements and the work of the former Area Committees. **Appendix 2** shows the 'Area of Benefit'. (attach plan)

**Area of activity**

- 2.44 It is also important to recognise that the sustainability of the NDC assets is in part dependent on business from outside the NDC area. DCLG recognises the need for a much wider 'Area of Activity' as long as the proceeds from these activities are ploughed back into the 'Area of Benefit'. It is proposed that the primary 'Area of Activity' for the Trust should be borough wide with an option of 'relevant consultancy trading' taking place nationwide. If the Trust is to continue the NDC ethos of innovative pilot projects that result in learning and good practice that can be rolled out elsewhere, then it is important that the 'Area of Activity' provides for such learning and good practice to be traded. Once the Honeywell Trust is successfully established it could provide a model for the establishment of local development trusts in each of the District Partnerships across the Borough.

**Roles for VCF Sector**

- 2.45 One of the key strengths of the NDC area is its people and it very important that the 'social capital' of the area is fully utilised and fully developed. There are therefore key roles for the voluntary, community and faith sectors in taking ownership of some of the initiatives started by NDC.
- 2.46 The TNT Residents Group has been working closely with partners for two years and already has a monitoring and scrutiny role in relation to 5 Neighbourhood Agreements. The Community Groups Network has a membership of 23 individual community groups. The Youth Forum is also well established and operating a Youth Bank grant scheme. The Eden project in Fitton Hill is a cutting edge 'faith in the community' project that has helped to develop and empower local residents of all ages. A Salvation Army backed project has also successfully bid to operate new GP services in Fitton Hill. Whilst these projects have all benefitted from NDC support they are now well equipped to 'fly alone' with a much more limited level of support from the Honeywell Trust.
- 2.47 The following areas of activity particularly lend themselves to a VCF lead:
- Sustaining and developing a wide range of community activities contributing to community cohesion, health improvement and participation in physical activity;
  - Informing, monitoring and scrutinising the activities of the Honeywell Trust, Oldham Council and other Service Delivery partners (Neighbourhood Agreements);

Section 2: The Succession Strategy

- Contributing to the Neighbourhood Forum, Ward PACTs and District Partnership;
- Arranging community events;
- Promoting 'green, clean and safe' and environmental sustainability through participation in Home-watch and KIN schemes and adoption of alleys and open space, allotments and gardening;
- Bidding for funding;
- Development of community businesses/social enterprises.

**Role of partner agencies**

2.48 Whilst there are key areas of activity where the Honeywell Trust and the VCF sector can add significant value, this does not obviate the need for partner agencies to continue to:

- Ensure that the gains that have been made are sustained;
- Continue to tackle those areas of deprivation where the NDC area is still below par – e.g. health improvement, educational attainment and basic skills, and worklessness;
- Engage local residents, businesses and community groups more in the design of the LAA and in the LAA commissioning process.

The key partners involved in the Succession Strategy are:

- Oldham Council
- Oldham Partnership
- Oldham & Rochdale Housing Market Renewal Pathfinder
- Greater Manchester Police
- Greater Manchester Fire And Rescue Service
- NHS Oldham
- Hope Citadel Health Care (provider of GP services in Fitton Hill)
- Eden Project( faith project in Fitton Hill)
- The Oldham College
- Children's Society ( Children's Centre operator)
- New Image (Event Management company)
- Positive Steps Oldham
- Work Solutions
- Youth Justice Board
- Registered Social Landlords
- Oldham Community Leisure Limited (Council's Leisure Facilities contractor)
- Oldham Athletic Community Trust
- Football Association
- Unity Partnership (Council's Strategic Service Delivery partner)
- Community First (Oldham LIFT company)
- Goyt Properties (local business)

2.49 It has been argued by some that, because the NDC area has benefitted from significant additional resources over a long period, the Council and partners should now prioritise other areas when allocating scarce resources. The deprivation issues that remain to be tackled are not unique to the NDC area and loom large over much of inner Oldham and inner urban areas across the country. The knowledge and experience gained by the NDC team and residents and the learning generated from the successful piloting of projects in

Section 2: The Succession Strategy

Hathershaw & Fitton Hill can be utilised to good effect in other areas by the local authority and other partner agencies such as the Police and PCT.

2.50 Going forward, Hathershaw & Fitton Hill needs to be considered in this wider context. If the Oldham Partnership is to achieve its targets then some locality based commissioning will be necessary within Oldham, perhaps at District Partnership level. The learning from the NDC programme, and in this the series of Neighbourhood Agreements in particular is a prime example, needs to be used to help to tackle deprivation issues elsewhere in Oldham. There is also a need for some continuing interventions in the NDC area as part of targeted interventions covering a wider area.

2.51 Appendix 1 and paragraphs 2.60 -2.92 below detail the key issues to be tackled through the Succession Strategy and the respective roles and responsibilities.

**vii) Criteria For Success**

2.52 The Succession Strategy has been developed to satisfy all the requirements of CLG Programme Notes 44 and 44a.

**Criterion 1 – The outcomes to be delivered are appropriate for the NDC area and the community it serves.**

2.53 From the outset the NDC has strived to work with the people of Hathershaw & Fitton Hill to make the area a place where people choose to live and work and where they enjoy a good quality of life. Whilst the NDC programme has significantly improved the quality of life of local people, there are some key areas of deprivation where sustained interventions are still required. The joint Delivery Plan will provide for:

**Community engagement and empowerment**

2.54 One of the major strengths of the NDC area and key to the success of the programme is its people. It is vital that this social capital is fully utilised, developed and supported. There will be key roles to be played by local residents and the voluntary, community and faith sectors in taking ownership of some of the initiatives commenced by the NDC. (See Criterion 2 below)

*LAA Objectives*

- *To develop and widen leadership, with particular emphasis being given to involving more women and young people, with the objective of widening the types of people who take on leadership roles, now and in the future.*
- *To encourage local communities to take responsibility for shaping and driving change in their localities.*
- *To consider all aspects of community cohesion, addressing issues across the divide between white and minority ethnic communities, building bridges between the different generations, and involving women and young people from all communities.*
- *To develop commissioning arrangements to increase opportunities for voluntary, community and faith organisations to deliver activities on behalf of the Partnership.*

**Health improvement/physical activity**

Section 2: The Succession Strategy

- 2.55 The momentum generated by the physical activity programme needs to be sustained. The benefits of health related projects will not be reaped until some time into the future while the new sports, medical and dental facilities in the area will need promoting, sustaining and monitoring to ensure that residents have first call on their use.

*LAA Objectives*

- *To develop new and improved front line primary care and community facilities.*
- *To support local people to adopt healthier lifestyles by ceasing smoking, reducing alcohol consumption, eating a healthier diet and being more active.*
- *To improve the facilities available for sport and physical activity and develop the capacity of the voluntary sports sector to engage and support more people in sport and physical activity.*

**Jobs & training**

- 2.56 Unemployment and benefit dependency remain major problems in the NDC area and the situation has been exacerbated by the current recession. The successful holistic approach to training and employment offered by the Jobshop and Skilled Communities projects needs to be embedded while continued support for entrepreneurship will add value to the local economy.

*LAA Objectives*

- *To increase the proportion of the working age population that is economically active*
- *To tackle long term and youth unemployment and reduce the benefit claimant rate;*
- *To raise the levels of skills of local people*
- *To raise levels of indigenous enterprise and business formation*
- *To improve the quality of the offer of sites and premises for businesses,*

**Children & young people**

- 2.57 Raising education attainment levels and aspirations remains a key objective. While educational standards have risen, family learning remains a key issue and there is still a relatively low level of basic skills among a large proportion of the population. The successful engagement of young people – including NEETs and those in danger of falling into the criminal justice system - needs to be sustained.

*LAA Objectives*

- *To continue to drive up the levels of educational attainment at all Key Stages with a particular focus on supporting increased achievement in the worst performing wards and schools and amongst disadvantaged groups such as looked after children and certain BME groups.*

**Crime & the Environment**

- 2.58 Continuing the successful programme of crime reduction and ensuring that the improvements to the area in terms of the provision and maintenance of green spaces and the clean and green agenda are sustained.

*LAA Objectives*

Section 2: The Succession Strategy

- *To design our neighbourhoods so that they are safe and convenient for people to walk and cycle, and provide safe places where people from all backgrounds are able to mingle.*
- *To maintain high standards of street cleanliness and ensure that residents have easy access to well maintained green spaces.*
- *To continue to reduce crime, and improve communications about the levels of crime, levels of detection, and action being taken, so that perceptions more closely relate to the actual levels of crime.*
- *To continue to rigorously tackle anti social behaviour.*

**Physical improvements to the area through the Masterplan implementation**

- 2.59 The development of the Borough Mill Triangle, which will comprise a mixed development of residences and retail and commercial property, the ongoing relationship with the Housing Market Renewal programme, environmental works across the area, further residential developments in Fitton Hill and other capital projects will continue beyond the NDC programme. It will be a key element of the Trust Board to monitor the progress of these schemes and help enable the further development of mixed and sustainable communities

*LAA Objectives*

- *To ensure that the borough's housing market offers quality and choice to all. The Housing Market Renewal programme will play a vital role in this transformation.*
- *To maintain high standards of street cleanliness and ensure that residents have easy access to well maintained green spaces*

**Criterion 2 – The community continues to be empowered and community leaders are supported**

- 2.60 The importance of the people in the area as a very important resource has been clearly stated. The NDC Board has always maintained a full complement of Resident Board Members and many have served for several years, building up a considerable body of knowledge and skills that the new Honeywell Trust can utilise. One of the main purposes of the Honeywell Trust is to ensure a dedicated resource remains available to support community development and empowerment. The composition of the company Board is designed to empower representatives from the community, comprising amongst its 12 members 6 local residents and 1 member of the local business community. Several members of the NDC Board have already expressed an interest in serving as directors/trustees of the new company. The activities of the Trust will in turn be informed, monitored and scrutinised by a Neighbourhood Forum which will be established primarily for this purpose and will include representatives from local residents' groups.
- 2.61 The work of TNT and their promotion of Neighbourhood Agreements will continue and will be supported, while the Honeywell Centre will remain a hub for community based activities. The other NDC assets will also provide important facilities for individuals and community groups to come together and be empowered. These assets will also produce an income stream which can be utilised to fund community based programmes.

Section 2: The Succession Strategy

**Criterion 3 – An agreed split of responsibilities in continuing NDC activities/projects/services (between any successor body, the local authority, other partners etc.)**

2.62 The key issues to be tackled through the Succession Strategy and the respective roles and responsibilities are as follows:

**a) Community Theme**

**2.63 Key Results**

- Honeywell Community Centre
- Fitton Hill Neighbourhood Centre
- Social infrastructure – Community Groups Network, The Neighbourhoods Together, Youth Bank & Youth Forum, BME Forum, Disabled Residents Forum, Older Persons Forum etc
- Community Grants
- Neighbourhood Agreements
- Community Events –Street Party, Summer University, Gardening Competition, etc

**2.64 Key Issues for the Succession Strategy**

It is important for the future viability of the Honeywell Trust that key issues relating to continued support for community development are addressed. In order to function successfully the Trust will need to be underpinned by a strong community infrastructure and access to committed and capable residents who can serve as trustees, advocates and activists. In particular there will be a need to:

- Sustain community development and empowerment activity;
- Equip the Honeywell Trust and community organisations to bid and lobby for resources;
- Refresh and monitor neighbourhood agreements;
- Ensure community cohesion issues are continually addressed as the area starts to undergo significant physical change.

**2.65 Projects to be sustained through the VCF sector**

- Community development and support
- Youth activities
- Community events

**2.66 Projects to be sustained by partners**

- Neighbourhood Agreements (Council, GMP, GMFRS, NHS Oldham, RSL's)
- Integrated Youth service (Council, YOS)
- Community empowerment through Area Working Framework(Council, GMP)

**2.67 Projects to be sustained by the Honeywell Trust**

- Honeywell Centre
- Fitton Hill Neighbourhood Centre (with Council and NHS Oldham)
- Communication
- Community and Youth Participation

**b) Liveability Theme**

Section 2: The Succession Strategy

**2.68 Key Results**

- Environmental improvements to the Ashton Road Corridor, Fitton Hill Estate and Hathershaw Enterprise areas;
- Target hardening and alley gating measures;
- Energy efficiency works to houses;
- Environmental enforcement and education;
- Improvements to allotments & annual gardening competition;
- Neighbourhood Agreements – ‘Home Sweet Home’, ‘Peace & Quiet’ and ‘Green & Clean’;
- Reductions in crime, notably burglary;
- Neighbourhood policing embedded;
- Youth Improvement Project (YIP);
- Multi-agency approach to problem solving.

**2.51 Key issues for the Succession Strategy**

- Sustaining low crime figures and increasing public satisfaction with the area;
- Completing Masterplan implementation (see below);
- Sustaining and refreshing neighbourhood agreements;
- Residents, businesses, and community groups ‘taking ownership’ of liveability issues.

**2.70 Projects to be sustained through the VCF sector**

- Residents’ responsibilities under Neighbourhood Agreements;
- Monitoring of Neighbourhood Agreements;
- Management of allotments and gardening competition;
- Taking ‘ownership’ of alleys and small areas of open space;
- Participation in Area Working and problem solving.

**2.71 Projects to be sustained by partners**

- Neighbourhood policing (GMP)
- Tackling anti-social behaviour and under-age alcohol and tobacco sales (Council)
- Management of street scene (Council)
- Problem solving through Area Action Teams (Council, GMP, GMFRS, NHS Oldham)

**2.72 Projects to be sustained by the Honeywell Trust**

- Maintaining and developing the mechanisms for community engagement and involvement in ‘place making/place shaping’;
- Advocacy, lobbying & influencing to ensure that the area receives appropriate levels of service provision and LAA funding (Neighbourhood Agreements);
- Maintaining a key role in monitoring and influencing regeneration strategy & Masterplan Implementation;
- To continue to develop and share good practice .

**c) Employment & Enterprise Theme**

**2.73 Key Results**

- Business incubation and stimulation;
- Jobshop; Information, Advice & Guidance to secure employment
- Ashton Road commercial refurbishments;

Section 2: The Succession Strategy

- Earl Mill Enterprise Zone;
- Business Grants;
- Enterprise in Education/Fast & Furious;

**2.74 Key issues for Succession Strategy**

- Continuing problem of worklessness – particularly amongst those on Incapacity and other benefits;
- Sustainability of Jobshop and business incubation;
- Local jobs for local people;
- Letting of business premises and workspace.

**2.75 Projects to be sustained through the VCF sector**

- Development of people through community activities and volunteering.

**2.76 Projects to be sustained by partners**

- Enterprise in Education/Fast & Furious - Should be mainstreamed by schools and through the national Young Enterprise programme;
- Jobshop/IAG services (Work Solutions, Positive Steps, Oldham College)
- Business support (Council)

**2.77 Projects to be sustained by the Honeywell Trust**

- Training projects/grants and programmes designed to tackle worklessness;
- Business premises for shops & offices – Ashton Road shops, Langham House & Earl Mill;
- Managed workspace in Earl Mill.

**d) Education and Lifelong Learning Theme**

**2.78 Key results**

- Improved academic results
- NDC Learning Partnership – coordinated partnership approach raising education attainment rates and aspirations.
- Improved school facilities - £5m investment in local schools, capital on refurbishment to Medlock Valley School, Newbridge School and Hathershaw College and revenue in a plethora of initiatives aimed at raising attainment rates.
- NDC Adult Education Partnership – coordinated approach to local adult learning, planning, development and delivery
- Skilled Communities project – significantly increased take up and progression in family learning, vocational training;
- Beat the NEET activities; significant reduction in NEETs from 17% to 11%.
- Children's Centre model based on NDC funded Families First prototype

**2.79 Key issues for succession strategy**

- Continuing need for basic skills training, family learning and adult learning support.
- Community access to school facilities; continue Learning Partnership with school heads.
- Maintain and improve the academic results (5 GCSEs including Maths & English).
- Continue need for support to maintain reduced level of NEETs.

**2.80 Projects to be sustained through the VCF sector**

Section 2: The Succession Strategy

- Voluntary support for family learning, education and training, through a Learning Ambassador approach.

**2.81 Projects that need to be sustained by partners**

- Work with NEETs (Connexions);
- Local learning opportunities (Oldham College & Lifelong Learning);
- Maintain and improve the academic results (5 GCSEs including Maths & English); (Schools)
- Children's Centre ( Council, Children's Society)

**2.82 Projects to be sustained by the Honeywell Trust**

- Limited training grants – training grants have proved successful in removing barriers to learning and aiding adult learning progression.
- Provision of training rooms & equipment; - local access to learning has proved successful and aided engagement, retention and progression.
- Adult Education Partnership/Learning Partnership - will ensure a coordinated approach continues to benefit residents.
- Accommodation for Children's Centre, Library and Lifelong Learning.

**e) Health Theme**

**2.83 Key results**

- Temporary health facilities open in Fitton Hill;
- Fitton Hill Neighbourhood Centre in design and due to open in March 2011;
- Netball Facilities – netball centre of excellence/community sports;
- Sports Zone due to open in June 2010;
- Physical Activities programme;
- Healthy Eating/nutrition programme.

**2.84 Key issues for succession strategy**

- Health in the area is still below par and health programmes need to be sustained well into the future;
- Fitton Hill Neighbourhood Centre and Sports Zone still need to be implemented.

**2.85 Projects to be sustained through the VCF sector**

- Physical activity – specific activities are delivered through a range of organisations (and businesses).

**2.86 Projects to be sustained by partners**

- The *Bespoke smoking cessation* services development with locally focused advisors has delivered well. As such NHS Oldham is looking to utilise this approach Borough wide by the time NDC completes.
- *Teenage Sexual Health* - Advice and guidance and awareness raising for young people. This has been sustained by Brook due to continued commission from NHS Oldham.
- *Substance Misuse* - Interventions to prevent and treat harmful drug and alcohol use. This has been sustained by the substance misuse service due to continued commission from NHS Oldham
- Enhanced dietetic and nutrition support. Work must be continued with NHS Oldham to ensure enhanced services are continued within the area.

**2.87 Projects to be sustained by the Honeywell Trust**

Section 2: The Succession Strategy

- It is not until the end of the NDC programme that additional primary care facilities will all be up and running at full capacity. There is a continued need for monitoring and involvement to ensure that the provision delivers post NDC.
- The Sports Zone and Skate Park Facility – continued management for locally appropriate access (with OCLL, OACT and FA)
- Fitton Hill Neighbourhood Centre (see under Community)

**f) Spatial Masterplan**

**2.88 Key results**

- Spatial Masterplan for Hathershaw & Fitton Hill prepared jointly with Oldham Council & Oldham & Rochdale HMR;
- Implementation in progress using NDC, HMR & ERDF funding;
- Preferred developer selected and land assembly progressing for 'Triangle' housing development;
- Development brief for Fitton Hill housing sites being prepared jointly with Council and Villages Housing Association.

**2.89 Key issues for succession strategy**

- Implementation of new housing and related open space, business & retail development;
- Further deterioration of aging housing stock and industrial premises;
- Continued availability of HMR and other funding to continue to pump prime the physical regeneration of the area;
- Continuing community engagement.

**2.90 Projects that can be sustained through the VCF sector**

- Community engagement in continuing Masterplan implementation.

**2.91 Projects that need to be sustained by partners**

- Delivering/enabling continuing Masterplan implementation (Council, HMR, Villages HA & private sector partners)
- Seeking new sources of funding for above ( Council)

**2.92 Projects to be sustained by the Honeywell Trust**

- Maintain a key role in monitoring and influencing regeneration strategy & Masterplan Implementation.

**Criterion 4 – The NDC assets are safeguarded into the long term.**

**2.93** Section 2 of this submission (Asset Register and Future Management Strategy) clearly explains how the NDC assets are to be safeguarded. Full details of the assets are listed in **Appendix 6**. In the short/medium term all of the NDC land & property assets will continue to be owned and insured by Oldham MBC but will be managed by the Honeywell Trust. Once the Trust has established itself and has a proven track record, consideration may be given to transfer of ownership from the Council to the Trust. The assets will continue to be managed primarily for the benefit of residents, businesses and community groups in the area of benefit with surplus revenue income being used to fund the operation and activities of the Trust.

**2.94** The NDC Board is very clear that, whilst there is a need to secure an appropriate level of community empowerment, the NDC property assets need to be professionally managed to ensure that they are financially viable, properly

Section 2: The Succession Strategy

maintained and are operated for the continuing benefit of the NDC area. A 'client manager' employed by the Trust will oversee the various management contracts and coordinate the marketing of the facilities.

- 2.95 The Honeywell Centre, Fitton Hill Neighbourhood Centre and Fitton Hill Sports Zone are to be operated as a suite of facilities that compliment each other and also compliment other facilities in the area. This process will include an area-wide membership scheme, flexible staffing and complimentary marketing, pricing structures and booking system. In addition to the above neighbourhood facilities and service centres, the NDC/Trust asset base comprises a number of business properties including retail units on Ashton Road, Langham House (the current NDC offices) and Earl Mill. It is proposed to dispose of a limited number of properties to raise capital receipts to fund further capital projects in the area of benefit.

**Criterion 5 – Governance arrangements support the objectives of the succession plans**

- 2.96 As mentioned above, the successor body for the Hathershaw & Fitton Hill NDC programme is to be a company limited by guarantee with charitable status. The draft Memorandum & Articles of Association are attached as **Appendix 3**. They have been produced with the assistance of Oldham MBC's legal department and follow the template produced by the Charity Commission.
- 2.97 DCLG guidance states that the acceptable options for the ownership and management of assets are that organisations should be either:
- A local authority
  - A company limited by guarantee with charitable status
  - A community interest company (CIC).
- 2.98 The consensus throughout has been that the Board and the Council should work towards the establishment of a company limited by guarantee with charitable status (a Community Development Trust) as the most appropriate model of sustaining community empowerment and community 'ownership' of a mixed economy of assets. The NDC Board at present is an informal partnership with no legal standing. The NDC staff team are employees of Oldham MBC, the Accountable Body. The reasoning behind the choice of a charity was that it offered the model most appropriate to a body that is essentially an asset based vehicle with social objectives. A guarantee company provides a clear legal identity, affording the ability for the company to own property in its own name and a democratic structure where its participants are required to adhere to the strict laws and regulations governing limited companies generally. Its profits are not distributed to its members but are retained to be used for the objectives of the company. This does not mean that the Trust cannot make a profit, as indeed it is almost paramount that it can and does so in order to continue to operate. As it will enter into contracts such as those relating to employment, property and the provision of services, it may need the benefit of limited liability to protect its Board of Trustees and its members, who may be involved on a voluntary basis. This is an important provision that will afford resident Board members some degree of protection.
- 2.99 Until a few years ago an organisation could only become a registered charity if its aims were the relief of poverty, the advancement of education and the advancement of religion. Recently, however, the scope of eligibility has extended to include objectives that are for the benefit of the community such as:

Section 2: The Succession Strategy

- the relief of old age, sickness or disability;
- promoting racial harmony;
- the resettlement and rehabilitation of offenders and drug abusers;
- the provision of recreational facilities which are open to everyone (for example, a sports centre) or which are for particular beneficiary groups such as people with disabilities or the elderly;
- urban and rural regeneration and community capacity building; and
- the promotion of health (e.g. through education, access to medical facilities or the pursuit of healthy recreation through sport).

All of the above are relevant to the objectives underlying the NDC's succession strategy.

- 2.100 While there are some drawbacks to being a charity, notably being subject to additional regulatory control, charitable status has a number of advantages over a CIC which outweigh the disadvantages:
- Charities do not normally have to pay income/corporation tax (in the case of some types of income), capital gains tax, or stamp duty, and gifts to charities are free of inheritance tax;
  - pay no more than 20% of normal business rates on the buildings which they use and occupy to further their charitable purposes;
  - can get special VAT treatment in some circumstances;
  - are often able to raise funds from the public, grant-making trusts and local government more easily than non-charitable bodies;
  - can formally represent and help to meet the needs of the community.
- 2.101 Thee Honeywell Trust's income will initially be dependent on revenue received from a limited number of properties and it will therefore need to be proactive in ensuring its costs are kept to a minimum and also to take advantage of alternative sources of funding. Charitable status will afford it these opportunities.

**Criterion 6 – The risks to the succession strategy have been properly identified and are being actively managed.**

- 2.102 See Risk Register and Risk Management Strategy in Section 3.

**Criterion 7 – The strategy must be agreed by the Local Authority/ Accountable Body and supported by local partners.**

- 2.103 The Strategy has been developed in consultation with key partners and has been formally approved as follows:

Oldham Partnership Chief Executives Management Board	3 August 2009
Oldham Council Cabinet	7 October 2009

**Criterion 8 – Any successor vehicle(s) must be financially independent into the long term**

- 2.103 See Business Plan in Section 4

Section 3: Asset Register And Future Management Strategy

### **3. ASSET REGISTER AND FUTURE MANAGEMENT STRATEGY**

3.1 The Succession Strategy is founded on the sustainable management of the NDC asset base.

#### **i) Asset Register**

3.2 The following capital assets have been created or are proposed:

- Honeywell Centre – Community & Events Centre and Local Service Centre
- Langham House - current NDC Offices to become managed office space
- Ashton Road Business premises – shop properties in Hathershaw Shopping Cluster
- Belgrave No. 2 Mill – land assembly for workspace
- Top Floor, Earl Mill – managed workspace
- Ashton Road Car parks (4no.) – supporting Ashton Road shops
- BMX/Skate park – leisure facility
- Ashton Road/Noble Street Pocket Park – recreation space
- Fitton Hill Sports Zone (completion June 2010) – leisure and recreation facilities
- Fitton Hill Neighbourhood Centre (completion March 2011) – integrated local service centre

3.3 These assets now form a solid financial and social foundation for the NDC succession. They will:

- Act as 'community anchor' facilities providing local services and bases for local residents, community groups and social enterprises;
- Provide revenue income to support the costs of running a Community Development Trust (Honeywell Trust);
- provide bases for activities designed to address the continuing regeneration needs of the area.

3.4 The above are land or property assets. There are also assets in the form of furniture, computers and office equipment which it is envisaged will be fully depreciated by the end of the NDC funding programme.

3.5 A summary of the assets is as follows:

**i) Summary of NDC Property assets (all held by Oldham MBC on behalf of NDC):  
Existing assets**

Description	Location	Date of Acquisition	Cost	Deeds	Comments
Vacant commercial premises. Former café – A3 licence	128 Ashton Road	April 2007	£135,000	Oldham MBC	To be sold to a housing developer as part of the Borough Mill Triangle scheme
Vacant retail premises	134 -136 Ashton Road	April 2003	£30,000	Oldham MBC	To be sold to a housing developer as part of the Borough Mill Triangle scheme
Ex retail/residential premises. Now vacant site	141 Ashton Road	October 2005	£16,000	Oldham MBC	Demolished – now forms a pocket park/garden and green space gateway site
Ex retail/residential premises. Now vacant site	149 Ashton Road		£12,000	Oldham MBC	Demolished – now forms a pocket park/garden and green space gateway site
Ex retail/residential premises. Now vacant site	143-153 Ashton Road	October 2005	£122,000	Oldham MBC	Demolished – now forms a pocket park/garden and green space gateway site
Ex retail/residential premises. Now vacant site	155 Ashton Road	September 2004	£25,000	Oldham MBC	Demolished – now forms a pocket park/garden and green space gateway site
Vacant retail premises-- ex newsagent	156 -158 Ashton Road	March 2003	£38,000	Oldham MBC	To be sold to a housing developer as part of the Borough Mill Triangle scheme
Vacant retail premises	212 -214 Ashton Road	March 2004	£60,000	Oldham MBC	To be used to relocate a business as part of the Borough Mill Triangle scheme
Vacant commercial premises with 1 <sup>st</sup> floor flat Former café – A3 licence	232 Ashton Road	March 2007	£140,000	Oldham MBC	To be retained as a business letting producing rental income
Vacant retail premises	268 Ashton Road	March 2003	£17,500	Oldham MBC	To be sold to a housing developer as part of the Borough Mill Triangle scheme
Ex residential converted to retail/commercial	312 Ashton Road	May 2007	£4,817	Oldham MBC	To be retained and let for new doctors' surgery
Ex residential converted to retail/commercial	314 Ashton Road			Oldham MBC	To be retained and let for new doctors' surgery
Ex residential converted to retail/commercial	316 Ashton Road	March 2007	£70,000	Oldham MBC	To be retained and let for new doctors' surgery

Section 3: Asset Register And Future Management Strategy

Ex residential converted to retail/commercial	318 Ashton Road	June 2007	£55,000	Oldham MBC	To be retained and let for new doctors' surgery
Retail/commercial premises	322-324 Ashton Road	August 2007	£150,000	Oldham MBC	To be retained as a business letting producing rental income
Retail premises – carpet suppliers	328 Ashton Road	September 2007	£70,000	Oldham MBC	To be retained as a business letting producing rental income
Retail premises – hairdressing salon	330 Ashton Road	May 2007	£68,000	Oldham MBC	To be retained as a business letting producing rental income
Retail premises – IT suppliers	334 Ashton Road	February 2007	£130,000	Oldham MBC	To be retained as a business letting producing rental income
Retail premises - florists	336 Ashton Road	October 2005	£55,000	Oldham MBC	To be retained as a business letting producing rental income
Retail premises – tanning salon	365 Ashton Road	September 2007	£71,000	Oldham MBC	To be retained as a business letting producing rental income
Office premises – NDC offices	368-370 Ashton Road	February 2006	£312,000	Oldham MBC	To be retained as a business letting producing rental income
Commercial/Retail premises – kitchen worktop suppliers	388-390 Ashton Road	October 2005	£97,500	Oldham MBC	To be retained as a business letting producing rental income
Residential premises	392 Ashton Road	July 2006	£95,000	Oldham MBC	To be sold to raise capital receipt
Vacant retail premises	625 Ashton Road	October 2004	£22,500	Oldham MBC	To be sold to raise capital receipt
Residential premises	4 Crofton Street	March 2007	£76,000	Oldham MBC	To be sold to raise capital receipt
Industrial premises	Belgrave Mill No 2 Honeywell Lane	March 2007	£630,499	Oldham MBC	To be sold to raise capital receipt
Managed office space	Top Floor Earl Mill Dowry Street	October 2008 25 year lease – option to renew	£1,600,000 Contribution to refurbishment & fit out	Lease agreement between owners & OMB	To be retained as a business letting producing rental income
Industrial/commercial premises	Borough Mill (part) Neild Street	March 2008	£400,000	Oldham MBC	To be sold to a housing developer as part of the Borough Mill Triangle scheme
Honeywell Community Centre	Hadfield Street	January 2007	£3,700,000 New build	Oldham MBC	To be retained as a community centre/Trust offices. Small income stream.
Car Park	Copsterhill Road			Oldham MBC	To be sold to housing developer
Car Park	Tyro Street			Oldham MBC	To be retained as car park
Car Park	Tyddon Street			Oldham MBC	To be retained as car park
Car park	Claremont Street			Oldham MBC	To be retained as car park

**Proposed assets**

Fitton Hill Sports Zone (inc BMX/Skatepark)	Rosary Road, Fitton Hill	The building work to the Sport Zone will be completed by June 2010.	NDC Projected contribution £1,800,000	To be retained and managed as sport & recreation facility on a profit basis.
Fitton Hill Neighbourhood Centre (part)	Fircroft Road, Fitton Hill	The building work to the Neighbourhood Centre will be completed by March 2011.	NDC Projected contribution £2,000,000	Ownership of part of building – to be retained and managed to provide integrated services on a cost neutral basis.

**ii) Other Assets**

Furniture	Value will be written down by the end of the project although the Trust will retain ownership of the furniture for use in the Trust administration office with any remaining furniture being relocated to the Business Enterprise Zone in Earl Mill.
Computers	Value will be written down by the end of the project although the Trust will retain ownership of the computers for use in the Trust administration office with any remaining computers, once cleaned of sensitive council information, being relocated to the Business Enterprise Zone in Earl Mill or the Neighbourhood Centre.
Office equipment	Value will be written down by the end of the project although the Trust will retain ownership of the office equipment for use in the Trust administration office with any remaining items being relocated to the Business Enterprise Zone in Earl Mill.
Vehicles	During the life of the programme the NDC has funded the provision of three vehicles - a youth bus, an off road police car and a police pod. All of these have been, or will be, written down in value and transferred to the respective programmes under a heads of terms agreement for continued support/ use in the NDC area.
Project equipment	During the life of the programme the NDC has funded the provision of various items of equipment. All of these have been, or will be, written down in value and transferred to the respective programmes under a heads of terms agreement for continued support/ use in the NDC area for the benefit of its residents
Honeywell equipment	Value will be written down by the end of the project although the Trust will retain ownership of the equipment.

**Additional information is provided in Appendix 6.**

The NDC has also invested heavily in new/improved school facilities and equipment which are not shown on the Asset Register. The schools are Hathershaw College, St. Martins, Medlock Vale, Broadfield, Holy Rosary and Newbridge (Fitton Hill site)

Section 3: Asset Register And Future Management Strategy

**ii) Asset Management Strategy**

- 3.6 In the short/medium term all of the NDC land & property assets will continue to be owned and insured by Oldham MBC but will be managed by the Honeywell Trust. Once the Trust has established itself and has a proven track record, consideration may be given to transfer of ownership from the Council to the Trust. The assets will continue to be managed primarily for the benefit of residents, businesses and community groups in Hathershaw & Fitton Hill and wider area of benefit with surplus revenue income being used to fund the operation and activities of the Trust.
- 3.7 The NDC Board is very clear that, whilst there is a need to secure an appropriate level of community empowerment the NDC property assets need to be professionally managed to ensure that they are financially viable, properly maintained and are operated for the continuing benefit of the NDC area. A 'client manager' employed by the Trust will oversee the various management contracts and coordinate the marketing of the facilities.
- 3.8 The retained property assets comprise Neighbourhood Facilities/Service Centres: and Business Assets.

**Neighbourhood Facilities & Service Centres**

- 3.9 The Honeywell Centre, Fitton Hill Neighbourhood Centre and Fitton Hill Sports Zone are to be operated as a suite of facilities that compliment each other. This will include an area - wide membership scheme, flexible staffing and complimentary marketing, pricing structures and booking system.

• **Honeywell Centre**

Description:	Purpose-built building, garden, outdoor events area and multi-use games area
Purpose:	Hub for community activities, events and provision of local services including Children's Centre and Youth Services. Office base for Honeywell Trust.
Ownership:	Owned by Council 'in trust' for NDC
Management:	Currently managed by NDC and management will pass to Honeywell Trust. Events business contracted out
Profit/loss:	Operating deficit to be capped at £50,000 per year

- 3.10 The Honeywell Centre is a recently constructed, purpose-built building, entirely funded by NDC grant. The Centre already operates as a "community anchor" facility in Hathershaw, providing local services and activity space for community groups. It is helping to sustain a number of important NDC projects (Children's Centre, Job Shop, training, youth provision, physical activities, etc) and it is proposed that it will become a "community access point" for Hathershaw and adjoining areas
- 3.11 The Centre is currently trading at a loss and, having taken independent advice from Community Concepts, a DTA member consultancy with experience in operating similar facilities, the NDC Board has approved and is in the process of implementing a robust business plan. The business plan strikes a balance

Section 3: Asset Register And Future Management Strategy

between the need for a significant amount of commercial activity and affordable access for community groups. The target is to cap the subsidy to the Centre at £50,000 per year. This subsidy will be a cost to the Trust which has to be funded from its total revenue income.

3.12 The staffing needs of the Centre have been reviewed in the context of the need to 'drive the business' and ensure that the necessary skills, experience and capacity are available to deal with the key areas of:

- Business planning
- Marketing
- Customer care
- Arranging events and activities

3.13 The 4 keys areas of the business are:

- Commercial lettings to businesses providing local services – Children's Centre, Job Shop and others with Unity Partnership employed as managing agents
- Letting of rooms and MUGA to community groups – NDC/Honeywell Trust staff
- Conferences and functions – consideration is being given to contracting out this part of the business to a specialist events management company
- Honeywell Trust office

3.14 A service level agreement is in place with Unity Partnership to manage the building maintenance.

3.15 The full business plan details are included Appendices 7 & 8.

- **Fitton Hill Neighbourhood Centre (opening March 2011)**

Description:	Purpose–Built Neighbourhood centre
Purpose:	Integrated service provision including doctors, dentists, other primary care services, library, youth services, lifelong learning and community group activities
Ownership:	Primary Care accommodation owned by Community First (LIFT company). Other accommodation leased free of charge to Council 'in trust' for NDC
Management:	Joint management by NHS Oldham and Council
Profit/loss:	Cost neutral. Rent paid by council services will cover service charges to Community First

3.16 The Fitton Hill Neighbourhood Centre is due to open in March 2011. The building is to be jointly funded by Community First Oldham Ltd (C1OL) and NDC and will be owned by C1OL. It is designed to provide for an innovative integrated service provision between NHS Oldham and Oldham Council. In return for a £2m capital investment the Council (on behalf of NDC) will have a 25 year lease on half of the building, rent free. This space will be sublet to the Council's Library and Youth Services and will also provide rooms for community use when not required for service provision. The other half of the building is to be leased to NHS Oldham to provide the primary care services, medical and dental, that have long been lobbied for in the Fitton Hill area. The

Section 3: Asset Register And Future Management Strategy

Centre will help to sustain NDC projects in the areas of health improvement, lifelong learning and youth and community services. It is proposed that the Centre provides a “community access point “for Fitton Hill.

3.17 C1OL will maintain the building and the operational management will be shared between NHS Oldham, Oldham Council and the Honeywell Trust. Although the NDC space is rent free the Trust will have to pay an annual maintenance fee to C1OL and a service charge for the management of the common areas. These costs will be offset by rental income received from the Council services and community groups resulting in the operation of the NDC/Trust part of Centre being cost neutral.

3.18 The Council (on behalf of NDC) has an option to renew the lease or buy its half of the building for a peppercorn at the end of the 25 year period.

3.19 The full business plan details are included Appendices 7 & 8.

- **Fitton Hill Sports Zone (due to open June 2010)**

- Description: BMC/Skatepark (already completed), grass & all-weather football/rugby pitches, changing accommodation and car parking
- Purpose: Sport & recreation facilities
- Ownership: Owned by Council ‘in trust’ for NDC
- Management: NDC/Honeywell Trust to contract out management to Oldham Community Leisure Limited
- Profit/loss: Scale of development is dependent on outcome of bid for Football Foundation funding. Reduced scheme (wholly achievable with NDC grant) will produce small surplus

**Sports Zone Income, phase 1 two full pitches (1 artificial) (000s)**

Year End	1 Apr-2011	2 Apr-2012	3 Apr-2013	4 Apr-2014	5 Apr-2015	6 Apr-2016	7 Apr-2017	8 Apr-2018	9 Apr-2019	10 Apr-2020	Total
<b>Net Position</b>	5.7	14.0	24.4	36.3	49.9	65.3	82.8	102.5	124.8	150.0	

Larger scheme would produce larger revenue surplus.

**Sports Zone Income, phase 1 & 2 two full pitches (1 artificial) and two mini soccer (1 artificial, 1 grass) (000s)**

Year End	1 Apr-2011	2 Apr-2012	3 Apr-2013	4 Apr-2014	5 Apr-2015	6 Apr-2016	7 Apr-2017	8 Apr-2018	9 Apr-2019	10 Apr-2020	Total
<b>Net Position</b>	47.7	60.3	75.3	92.3	111.5	133.0	157.3	184.5	215.0	249.2	

3.20 The Fitton Hill Sports Zone is due to open in April 2010. The development is planned to be jointly funded by the NDC and the Football Foundation and will be a hub and a centre of excellence, not just for football but also for rugby league. The facility will include car parking, a number of all-weather football pitches in a range of sizes, a full size grass pitch, changing accommodation

Section 3: Asset Register And Future Management Strategy

and a BMX/ Skatepark. The Sports Zone will particularly help to sustain NDC projects in the areas of health improvement and participation in physical activity.

- 3.21 The facilities will be owned by the Council on behalf of NDC and it is proposed that they will be managed by Oldham Community Leisure Ltd (OCLL - Oldham Council's Leisure Trust) on behalf of the Honeywell Trust. It will enable an increasing number of locally based sports clubs to take advantage of having this modern sports facility on their doorstep.
- 3.22 The Football Foundation funding has yet to be confirmed. In the event of this funding bid not being successful, and no alternative funding being available, the scale of the development will be reduced. This would impact on the income potential.
- 3.23 The business plan therefore anticipates the two possible scenarios with two levels of income forecast depending on the scale of the development. Any surplus income will contribute to the overall revenue income needed to sustain the activities of the Honeywell Trust.
- 3.24 The full business plan details are included Appendices 7 & 8.

- **Car parks**

Description:	Small surface car parks in strategic locations in Ashton road corridor
Purpose:	Short stay parking to support local shops and businesses
Ownership:	Owned by Council 'in trust' for NDC
Management:	Council
Profit/loss	Cost neutral to NDC

- 3.25 The following car parks on Ashton Road are owned by the Council on behalf of the NDC and help to sustain the local shops:

- Tyro Street car park
- Tydden Street car Park
- Claremont Street car park
- Copster Hill Road car park

These are short-stay car parks and charging is unviable. They are therefore not forecast to produce any income. It is envisaged that the Copster Hill car park will be sold as part of the Borough Mill Triangle scheme.

**Business assets**

- 3.26 The letting and management of the NDC business assets is contracted to Unity Partnership.

- **Ashton Road Shops**

Description:	Refurbished shop/business properties on Ashton Road
--------------	---

Section 3: Asset Register And Future Management Strategy

**Purpose:** To provide accommodation for retail services and small businesses and to sustain a vibrant 'district centre' in Hathershaw.

**Ownership:** Owned by Council 'in trust' for NDC

**Management:** Property management contracted to Unity Partnership

**Profit/loss:** Significant revenue surplus based on 70 % occupancy

**Income assumption from Retail Properties Portfolio (000s)**

Year End	1 Apr- 2011	2 Apr- 2012	3 Apr- 2013	4 Apr- 2014	5 Apr- 2015	6 Apr- 2016	7 Apr- 2017	8 Apr- 2018	9 Apr- 2019	10 Apr- 2020	Total
<b>Net Position</b>	45	45	69	71	75	78	80	84	86	89	

3.27 The Council on behalf of NDC owns eight shops on Ashton Road. These shops were bought as empty properties to enable them to be brought back into use to provide retail services in the Hathershaw Shopping cluster. The shops, together with the Honeywell Centre and new doctors and dentists, now provide a vibrant and sustainable District Centre in Hathershaw. The Spatial Masterplan enables the development of a small supermarket to add further to the cluster of local neighbourhood facilities. The shop properties have all recently been refurbished under the Ashton Road block repair programme and are to be retained and are let/to be let to businesses that provide for the needs of the area and add vitality to the Ashton Road frontage, Additionally there are four former residential properties that have been converted into one building for commercial/retail use and are due to be adapted for use as a GP practice surgery. All these properties are forecast to provide a revenue surplus. This surplus income will contribute to the overall revenue income needed to sustain the activities of the Honeywell Trust.

3.28 The full business plan details are included Appendices 7 & 8.

- **Langham House**

**Description:** Newly refurbished office premises

**Purpose:** Current NDC Offices. When NDC office use ceases, accommodation will be let as (managed) office space

**Ownership:** Owned by Council 'in trust' for NDC

**Management:** Property management contracted to Unity Partnership

**Profit/loss:** Revenue surplus from rental income based on rental of the shops at market rates of circa £40,000 per annum.

3.29 Langham House was purchased as a key building in the Ashton Road corridor and at the time of purchase was in very poor condition. NDC funding was used to convert it into modern office accommodation. It is owned by the Council on behalf of the NDC. A service level agreement is in place with Unity Partnership to manage the maintenance of the building.

3.30 The building is currently used as the NDC offices and includes a 'community room' which is made available to local residents. When the NDC programme ends it is proposed to retain the building and let it as (managed) office space. This will help to provide jobs within the area. This income will contribute to the overall revenue income needed to sustain the activities of the Honeywell Trust.

Section 3: Asset Register And Future Management Strategy

Replacement community rooms will be available in the Honeywell Centre and Fitton Hill Neighbourhood Centre.

3.31 The full business plan details are included Appendices 7 & 8.

- **Earl Mill**

Description: Top floor of Earl Mill fitted out as managed workspace  
 Purpose: To provide managed workspace for business incubation and graduation  
 Ownership: Council 'in trust' for NDC has 25 year lease from Goyt Properties  
 Management: Property management contracted to Unity Partnership  
 Profit/loss: Revenue surplus from rental income based on 65% occupancy.

Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
65% Capacity										
Net Surplus (£)	171.8	213.6	217.0	217.0	217.0	233.7	233.7	233.7	251.3	251.3

1. The changes of incomes from 2011/12 are based on rent increases on a 3 to 5 year basis at 5%
2. Neither the rental incomes nor the costs have been raised by annual inflation. It is expected that any annual rise in inflation will be directly added to the rental/service costs and there will therefore be zeroed.
3. The net figure used in the forward strategy is based on the above gross figure minus £50k per annum for maintenance.

It is expected that the 65% level of occupation will be achievable and early market testing indications show this to be the realistic as a number of positive enquiries have been received. Again professional market advice has been received from Unity partnership.

3.32 NDC has worked in partnership with Goyt Properties to refurbish Earl Mill. In return for an NDC investment of £1.6 million the Council, on behalf of NDC, has a 25 year lease on the top floor of the mill at warehouse rental level. NDC is renting out part of the floor as managed office providing for start-up and graduating businesses with the remainder being available to rent on the commercial market. The accommodation also provides rooms that can be hired for training/meetings. The tenancies will help to sustain the growth of new businesses in the area and also produce surplus income that will contribute to the overall revenue income needed to sustain the activities of the Honeywell Trust.

3.33 The full business plan details are included Appendices 7 & 8.

**Assets to be disposed of**

3.34 There is some land and property currently held by the Council on behalf on NDC that are surplus to current and future requirements. These properties were bought because they were empty and/or in poor condition but their retention is unnecessary and would be unhelpful in supporting the Succession Strategy. In some cases the sale of these properties will assist the implementation of the Spatial Masterplan. However, conversely, the capital

Section 3: Asset Register And Future Management Strategy

receipts from the sale of these assets will support the Succession Strategy and enable the completion of a number of important projects that it has not been possible to fund from NDC grant. These include:

- Phase 2 of the Sports Zone or to provide alternative funding for Phase 1 if Football Foundation funding is not approved;
- Improvements to school playing fields to enable community use;
- Development works at Honeywell Centre.

- **Borough Mill Triangle**

3.35 Land in the Borough Mill Triangle area is due to be sold to Countryside Properties for new housing development. This development is a key element of the Spatial Masterplan for Hathershaw and Fitton Hill.

3.36 The NDC assets to be sold include part ownership of Borough Mill, and the Copster Hill Road car park. The timing of these sales is uncertain given the current state of the housing market but is likely to be from 2010/11 onwards. The capital value of the properties is estimated to be £288,000.

- **Belgrave No. 2 Mill**

3.37 Belgrave No.2 Mill was originally purchased, as a building in very poor condition, with a view to its demolition and the procurement of a development partner to develop and build new workspace units. NDC is in the process of relocating the tenants from the mill to obtain vacant possession. However there is now no NDC funding available to put towards the redevelopment of the site. It is therefore proposed to sell the site for redevelopment for employment purposes. The estimated value of the site is £400,000.

- **Ashton Road properties**

3.38 The double unit at 212/214 Ashton Road is proposed for sale to a retailer who is subject to relocation from the Borough Mill Triangle site.

3.39 Three other properties were bought as empty properties during the NDC programme to stabilise the retail offer on Ashton Road but do not sit within the new designated Ashton Road Shopping Clusters. It is therefore proposed to sell these properties for appropriate uses that will support the local economy and/or local housing market. The estimated value of all these 4 properties is £290,000

Section 4: Risk Register and Risk Management Strategy

#### 4. RISK REGISTER AND RISK MANAGEMENT STRATEGY

Risks are inherently present in undertaking any course of action whether in setting up a community owned trust with control of physical assets or the risk of 'doing nothing'. In the public sector it is important to remember that there will also be risks in terms of the benefits that can be derived for an area through sale on the open market to the private sector although private organisations have been shown not to be immune to failure.

It is important to understand the risks involved in the development of the forward strategy vehicle, not least of which is the asset transfer to community-based organisations and making the governance of the vehicle transparent.

Taking a systematic approach to risk management will also allow procedures and approaches to be put in place to manage and minimise any risks identified thereby allowing the forward strategy vehicle to be implemented with a greater chance of being successful. However, it is also important to remember that it will not be possible to eliminate all risk.

The aim should be for risk management to be 'cost-beneficial' i.e. the cost of managing the risk must not outweigh the benefits. Any action must be proportionate to the level of risk exposure that the organisation can accept.

##### 4.1 Risk assessment Key

The status rating is based upon an assessment of impact against likelihood

IMPACT	LIKELIHOOD					RAG status reflects degree of likelihood that risk will occur and its impact on the Department:
	1. RARE < 10%	2. UNLIKELY <33%	3. POSSIBLE 33%-67%	4. LIKELY >67%	5. ALMOST CERTAIN >90%	
5.CATASTROPHIC						<b>RED:</b> High impact and likelihood
4.MAJOR						
3.MODERATE						<b>AMBER / RED:</b> Moderately high impact and likelihood
2.MINOR						<b>AMBER:</b> Moderate impact and likelihood
1.ALMOST NONE						<b>GREEN:</b> Low impact and likelihood

##### 4.2 Definition of impact and likelihood ratings

###### Impact

- **Catastrophic** - prevents achievement of objective or highly damaging impact (e.g. on reputation)
- **Major** - significant detrimental effect on achievement of long-term objectives

Section 4: Risk Register and Risk Management Strategy

- **Moderate** - significant short term damage and important to outcome of long term objectives
- **Minor** - affects short term goals within the objective without affecting long term achievement
- **Almost none** - minor impact on achievement of objective and can be contained

**Likelihood**

- **Almost certain** - over 90% chance
- **Likely** - 67 to 90% chance
- **Possible** - 33 to 67% chance
- **Unlikely** - 10 to 33% chance
- **Rare** - less than 10% chance

**4.3. Definition of risk categories**

- **Economic**  
Ability to attract and retain staff in the labour market; exchange rates affect costs of international transactions; effect of global economy on UK economy
- **Legal/Regulatory**  
EU requirements / laws which impose requirements (such as Health and Safety or employment legislation)
- **Delivery**  
Project delivery Fail to deliver on time / budget / specification
- **Financial**  
Insufficient funding, poor budget management, fraud
- **Resource**  
Staff capacity /skills / recruitment and retention
- **Relationships**  
Delivery partners (threats to commitment to relationship / clarity of roles)
- **Reputation**  
Confidence and trust which stakeholders have in the organisation
- **Physical**  
Loss / damage / theft to assets

Section 4: Risk Register and Risk Management Strategy

Risks Assessment

No.	Project Risk*	Type	Impact	Impact	RAG pre-mitigation	Mitigation	Impact	L'hood	RAG post-mitigation	Contingency	Risk Owner
1	Community empowerment objectives proposed by community organisations are vague, weak or not aligned to those of the local authority	Relationship/Reputation	Reduction of Successor Body's impact and ability to improve lives of residents and to make the necessary links to the LAA etc	4	2	8	The Forward Strategy Vehicle (FSV) will require the approval of various statutory bodies, including OMBC, and the inclusion of a Community Empowerment Strategy is at the heart of this FSV proposal, with its objectives being based on community development and aligned with the LAA. Consultation with partners and local residents has been extensive.	3	2	6	None required
2	The receiving organisation does not have the capacity/skills to manage the asset	Financial/Physical	Asset becomes a liability to the Successor Body and threatens viability in medium/long term.	4	3	12	The assets will be managed by an external body under contract to the FSV. In the initial phase this will be carried out by the Unity Partnership (the Council's technical ALMO). Unity is a joint venture partnership between Oldham Council, Mouchel and Agilisys and is also the ICT subcontractor for OMBC as well as its property management arm. Mouchel is a consulting and business services group that provides many of the design, managerial and engineering services for OMBC.	3	2	6	
3	Local authority lacks the capacity to support the asset transfer adequately	Legal	In the short term the asset transfer (ownership) is not a major factor providing the management (profit/loss) is transferred. In the longer term the lack of transfer could become a liability to the Successor Body and could threaten viability in long term.	3	2	6	Under the proposal for the new FSV the local authority will, at least in the short term (2 to 5 years) retain ownership of the assets (held in trust for the FSV until such time as it proves itself viable). OMBC and the NDC have over the years maintained a strong partnership arrangement in asset management with the ultimate aim of transferring to the FSV. The managerial control of and benefits produced by these assets will be an integral part of the FSV business plan/ development.	2	2	4	
4	Community organisation does not have the funds to purchase and/or	Financial/Physical	The maintenance of the facilities to allow the incomes is a major strand of the strategy	5	3	15	The business plan for the FSV has included in it cost estimates for the maintenance of the facilities, many of which are new build or newly refurbished. It is not expected that in the short term the FSV will need to	2	1	2	



Hathershaw & Fitton Hill New Deal For Communities (NDC) Succession Strategy - Continuing And Sustaining Growth Into A Brighter Future

Section 4: Risk Register and Risk Management Strategy

	strategic approach	"profitable" and non profitable facilities to offer the best in terms of both community and business focus of the Trust. Any splitting off of assets would result in a non viable Trust.	approach as agreed by the FSV Board.			
10	Confusion in roles between the local authority and the community organisation		The proposals for the development of the Forward Strategy Vehicle (FSV) will require the approval of various statutory bodies, including OMBC. The FSV will be an autonomous organisation with OMBC representation on the Board but the ongoing relationship with the LA will be maintained with many of the objectives of both parties being similar. Practical examples of role designation are already in place through the various Neighbourhood Agreements.			
11	Limited potential for enterprise development based on the asset/ in the area		The NDC has been developing within its asset portfolio a number of locations to support the development of local enterprises including Earl Mill, the Honeywell Centre and retail properties.			
12	Use would not fit with wider strategic aims of the local authority	There is a significant risk of results going backwards if some projects are not successfully mainstreamed. LAA should be the main driver to ensure that results are sustained.	The proposals for the development of the Forward Strategy Vehicle (FSV) will be approved by numerous bodies including the Council and the FSV's objectives relate closely to wider strategic aims including those of the LAA.			
13	Failure of Board members to fully participate and to work together and a reliance by the receiving organisation on a small number of volunteers		The NDC Board has worked well over the past few years with the increasing participation of local residents. The FSV is being developed with a wide range of participation from both local and borough wide stakeholders. A number of existing Board members and partner organisations have expressed their interest in serving on the FSV Board. This continuity is considered vital in ensuring the success and further development of the FSV.			
14	Failure to meet	This may result in	The NDC has sought regular advice and assistance from			





Section 5: Honeywell Trust Business Plan

**5. HONEYWELL TRUST BUSINESS PLAN**

**Honeywell Trust**

5.1 Section 2 explains the proposal to establish a charitable ‘company limited by guarantee’, the Honeywell Trust, as a successor organisation to the NDC. The proposed legal status of the Trust is detailed in Appendix 3 (Draft Memorandum and Articles). A shadow Board has been established and applications have been made to register the company and seek charitable status. It is proposed that the Board will become operational from 1 January 2010 and operate in parallel with the NDC Board until 31 March 2011.

**Risks and Risk Management**

5.2 The risks associated with the establishment of the Honeywell Trust and the Risk Management Strategy are detailed in Section 4.

**Asset Management Strategy**

5.3 The Asset Management Strategy is explained in section 3.

**Financial Viability**

5.4 A detailed financial appraisal has been undertaken based on various potential scenarios. This demonstrates that the establishment of the Honeywell Trust is financially viable and will remain viable based on surplus income from the NDC assets. However the scale of operation needs to be tempered until potential future income is secured. The main variable in terms of the scale of operation is the size of the proposed staff team.

5.5 A flexible financial plan has been developed which has been used to calculate the Honeywell Trust’s financial profile and assess its viability based upon the following 4 possible funding scenarios. Whilst it is anticipated that the Trust will inherit banked income of circa £200,000 from the NDC the viability of the Trust is not dependent on this income carried forward and this will be kept as a reserve. Neither is the viability of the trust dependent on any grant support.

5.6 Full details of the business plan and working sheets and the assumptions used are attached as **Appendices 7 & 8**.

**Scenario 1 (baseline funding assumption)**

5.7 Scenario 1 is based on the current situation in respect of the projected income and expenditure from the completed NDC assets i.e.

Ashton Road Shops – Revenue surplus (based on 70% occupation)

Honeywell Centre – Deficit of £50,000 per year (capped deficit)

Earl Mill – Cost neutral (rental of 40% of the floor area)

**Scenario 1, base case income & expenditure (000s)**

	1	2	3	4	5	6	7	8	9	10	
Year End	Apr-2011	Apr-2012	Apr-2013	Apr-2014	Apr-2015	Apr-2016	Apr-2017	Apr-2018	Apr-2019	Apr-2020	Total
<b>Income</b>											
<b>Total</b>	-4.1	-4.1	19.9	21.9	25.9	28.3	30.5	34.3	36.8	39.4	

Section 5: Honeywell Trust Business Plan

<b>Expenditure</b>											
<b>Total</b>	<b>98.5</b>	<b>96.2</b>	<b>102.9</b>	<b>106.5</b>	<b>110.8</b>	<b>114.7</b>	<b>118.9</b>	<b>123.5</b>	<b>128</b>	<b>132.5</b>	
<b>Net Position</b>	<b>-96.5</b>	<b>-99.6</b>	<b>-83.0</b>	<b>-84.8</b>	<b>-94.9</b>	<b>-86.6</b>	<b>-88.5</b>	<b>-89.2</b>	<b>-91.1</b>	<b>-93.1</b>	

*Sensitivities:*

Loss of tenants from shops and Earl Mill  
Failure to cap deficit on running of Honeywell Centre

*Consequence*

- 5.8 Under Scenario One the income from the shops and Earl Mill is sufficient to cover liabilities in respect of Earl Mill and the deficit on the Honeywell Centre (capped at £50,000 per year) ( See **Appendices 7 & 8** for details)

**Scenarios 2 & 3 (additional income from Earl Mill, completion of Phase 1 of Sports Zone, completion of Fitton Hill Neighbourhood Centre, Letting of Langham House**

- 5.9 Scenarios two and three examine the situation when Phase 1 of the Sports Zone has been completed (not dependent of additional funding being secured) and Fitton Hill Neighbourhood Centre has opened. At this point Langham House will also be available for letting. The main differences between the two scenarios are the assumptions in respect letting incomes

**Scenario 2**

Ashton Road Shops – Revenue surplus (based on 70% occupation)  
Honeywell Centre – Deficit of £50,000 per year (capped deficit)  
Earl Mill – Revenue surplus from additional lettings (based on 65% occupancy)  
Sports Zone – cost neutral  
Fitton Hill Neighbourhood Centre – cost neutral  
Langham House let – cost neutral (rental levels to cover rates etc or property sold)

**Scenario 2 additional asset income assumption income & expenditure (000s)**

	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	
<b>Year End</b>	<b>Apr-2011</b>	<b>Apr-2012</b>	<b>Apr-2013</b>	<b>Apr-2014</b>	<b>Apr-2015</b>	<b>Apr-2016</b>	<b>Apr-2017</b>	<b>Apr-2018</b>	<b>Apr-2019</b>	<b>Apr-2020</b>	<b>Total</b>
<b>Income</b>											
<b>Total</b>	<b>168.8</b>	<b>208.6</b>	<b>236.0</b>	<b>238.0</b>	<b>242.0</b>	<b>261.7</b>	<b>263.7</b>	<b>267.7</b>	<b>287.3</b>	<b>290.3</b>	
<b>Expenditure</b>											
<b>Total</b>	<b>122.4</b>	<b>132.9</b>	<b>140.9</b>	<b>144.5</b>	<b>148.8</b>	<b>155.6</b>	<b>159.8</b>	<b>164.4</b>	<b>171.9</b>	<b>176.5</b>	
<b>Net Position</b>	<b>44.4</b>	<b>75.7</b>	<b>95.1</b>	<b>93.5</b>	<b>93.2</b>	<b>106.1</b>	<b>103.9</b>	<b>103.3</b>	<b>115.4</b>	<b>113.8</b>	

**Sensitivities**

Loss of tenants from shops and Earl Mill

Section 5: Honeywell Trust Business Plan

Failure to attract additional tenants to Earl Mill  
 Rental levels achieved less than anticipated  
 Failure to cap deficit on running of Honeywell Centre  
 Income from Sports Zone less than forecast

Consequence

- 5.10 Scenario 2 generates a sufficient revenue surplus to set aside £45,200 (2010/11) for staff costs. (See **appendix 7** for details)

**Scenario 3**

Ashton Road Shops – Revenue surplus (based on 70% occupation)  
 Honeywell Centre – Deficit of £50,000 per year (capped deficit)  
 Earl Mill – larger revenue surplus from additional lettings (based on 80% occupancy)  
 Sports Zone – Small revenue surplus (based on phase 1 development with only NDC funding)  
 Fitton Hill Neighbourhood Centre – cost neutral  
 Langham House – Revenue surplus (based on rental of property at £40,000 per annum)

**Scenario 3 additional core funding assumption income & expenditure (000s)**

Year End	1 Apr- 2011	2 Apr- 2012	3 Apr- 2013	4 Apr- 2014	5 Apr- 2015	6 Apr- 2016	7 Apr- 2017	8 Apr- 2018	9 Apr- 2019	10 Apr- 2020	Total
<b>Income</b>											
<b>Total</b>	<b>239.6</b>	<b>347.0</b>	<b>388.9</b>	<b>404.8</b>	<b>339.4</b>	<b>376.2</b>	<b>398.3</b>	<b>424.4</b>	<b>469.6</b>	<b>500.2</b>	
<b>Expenditure</b>											
<b>Total</b>	<b>135.1</b>	<b>157.0</b>	<b>167.5</b>	<b>173.7</b>	<b>165.7</b>	<b>175.7</b>	<b>183.4</b>	<b>191.8</b>	<b>203.7</b>	<b>213.2</b>	
<b>Net Position</b>	<b>104.6</b>	<b>190.1</b>	<b>221.4</b>	<b>231.2</b>	<b>173.7</b>	<b>200.5</b>	<b>215.0</b>	<b>232.7</b>	<b>265.9</b>	<b>286.9</b>	

Sensitivities

Failure to attract additional tenants to Earl Mill and Langham House  
 Rental levels achieved less than anticipated  
 Failure to cap deficit on running of Honeywell Centre  
 Income from Sports Zone less than forecast

Consequence

- 5.11 Scenario 3 generates a sufficient revenue surplus to set aside £104,500 (2010/11) for staff costs. (See **appendix 7** for details)

**Scenario 4**

- 5.12 Scenario 4 examines the situation if Football Foundation (or other equivalent funding) is secured for the Sports Zone and Phases 1 & 2 can be implemented together.

Ashton Road Shops – Revenue surplus (based on 70% occupation)  
 Honeywell Centre – Deficit of £50,000 per year (capped deficit)

Section 5: Honeywell Trust Business Plan

Earl Mill – larger revenue surplus from additional lettings (based on 80% occupancy)

Sports Zone – Small revenue surplus (based on phase 1 development with additional NDC funding)

Fitton Hill Neighbourhood Centre – cost neutral

Langham House – Revenue surplus (based on rental of property at £40,000 per annum)

**Scenario 4 additional core funding and asset income assumption income & expenditure (000s)**

Year End	1 Apr-2011	2 Apr-2012	3 Apr-2013	4 Apr-2014	5 Apr-2015	6 Apr-2016	7 Apr-2017	8 Apr-2018	9 Apr-2019	10 Apr-2020	Total
<b>Income</b>											
<b>Total</b>	<b>281.7</b>	<b>393.3</b>	<b>439.8</b>	<b>460.9</b>	<b>401.0</b>	<b>443.9</b>	<b>472.8</b>	<b>506.4</b>	<b>559.8</b>	<b>598.3</b>	
<b>Expenditure</b>											
<b>Total</b>	<b>142.4</b>	<b>165.1</b>	<b>176.4</b>	<b>183.5</b>	<b>176.5</b>	<b>187.6</b>	<b>196.4</b>	<b>206.1</b>	<b>219.5</b>	<b>230.6</b>	
<b>Net Position)</b>	<b>139.3</b>	<b>228.2</b>	<b>263.4</b>	<b>277.4</b>	<b>224.5</b>	<b>256.3</b>	<b>276.5</b>	<b>300.3</b>	<b>340.3</b>	<b>368.8</b>	

**Sensitivities**

- Failure to attract additional tenants to Earl Mill and Langham House
- Rental levels achieved less than anticipated
- Failure to cap deficit on running of Honeywell Centre
- Income from Sports Zone less than forecast

**Consequence**

- 5.13 Scenario 4 generates a sufficient revenue surplus to set aside £139,000 (2010/11) for staff costs. (See **appendix 7** for details)

Section 6: Appendices

**6. APPENDICES**

Appendix 1	NDC Achievements 2001-2009
Appendix 2	Plan of Area of Benefit
Appendix 3	Honeywell Trust Draft Memorandum & Articles
Appendix 5	Honeywell Trust Board structure
Appendix 6	Asset register
Appendix 7	Business Plan & Sensitivity Analysis
Appendix 8	Business Plan working sheets
Appendix 9	Potential Staffing Structure
Appendix 10	Consultation process
Appendix 11	Spatial Masterplan for Hathershaw & Fitton Hill

