



Report of the Director of Environment & Neighbourhoods

Inner North West Area Committee

Date: 3rd April 2008

Subject: Woodsley Road Multi-cultural Community Centre

Electoral Wards Affected:

Hyde Park & Woodhouse

Ward Members consulted
(referred to in report)

Specific Implications For:

Equality and Diversity

Community Cohesion

Narrowing the Gap

Council
Function

Delegated Executive
Function available
for Call In

Delegated Executive
Function not available for
Call In Details set out in the
report

Executive Summary

Woodsley Road Community Centre Management Committee have expressed an interest in acquiring the freehold of the centre. Over the last three years they have been working with the Council to develop governance, accountability and business planning structures in order for them to take a more proactive role in the day to day running and future use of the community facility.

A report was presented to the Inner North West Area Committee in December 2007, seeking approval for an options appraisal to be carried out on suitable models of tenure at the centre for the management committee. Work has been carried out looking at three options: freehold disposal; long lease arrangement; and carry on as present. Following development of these options and analysis of their consequence, this report is seeking Area Committee approval to proceed to negotiations with the Centre Management Committee on the freehold disposal of the building.

A further report will be presented to the Area Committee seeking final approval to any freehold disposal.

1.0 Purpose of the Report

1.1 The purpose of this report is to provide the Area Committee with a comprehensive overview of options available for the future model of tenure of Woodsley Road Community Centre.

- 1.2 The report also seeks approval to commence negotiations with the Management Committee on the freehold disposal option.

2.0 Confidentiality

- 2.1 Appendix 1 discloses land valuations of Woodsley Road Community Centre, relating to a number of differing circumstances, and is therefore deemed exempt under the Access to Information Procedure Rule 10.4(3). The public interest in maintaining the exemption in relation to this appendix outweighs the public interest in disclosing the information by reason of the fact that by disclosing these details, the negotiation procedure to be undertaken between the Council and Woodsley Road Community Centre Management Committee could be undermined and detrimentally affected.

3.0 Background and Context

- 3.1 A report was presented to the Inner North West Area Committee requesting approval to undertake an options appraisal on the future model of tenure of Woodsley Road Community Centre in December 2007.

3.2 The Committee

- 3.2.1 The Management Committee has been in existence since 1997 when the centre first opened. Over the past three years the Committee has worked closely with both Area Management and Voluntary Action Leeds to develop into an organisation able to take on the responsibilities of managing a community facility.
- 3.2.2 In 2006 the Committee registered as a charity, and therefore has to conduct its business in line with the rules and regulations of the Charity Commission.
- 3.2.3 In 2007 the Committee signed up to a Management Agreement with the Council, which outlined key objectives the Council required to have met before disposal of the centre would be considered (an update on progress towards these objectives was contained within the December 2007 report presented to Area Committee).

3.3 The Site

- 3.3.1 Woodsley Road Community Centre is situated at the top end of Woodsley Road shopping parade. The centre is well used by local residents, specifically members of the Kashmiri and Pakistani communities.
- 3.3.2 The centre is of brick and concrete tile construction, built in 1996/97 and is situated in an area of mixed land use.
- 3.3.3 The site of the centre, prior to 1996, was owned by Leeds Muslim Council, but was gifted to the City Council on the condition that a community centre be built. The original building was enhanced and extended using SRB funding in 2003.
- 3.3.4 The centre is approximately 560m², and comprises of a large and medium hall, fully fitted kitchen, office space, reception room, toilets, 3 small meeting rooms, a mortuary and underground storage space and car park (12 spaces).

3.4 Leeds City Council Costs

- 3.4.1 As with the majority of Council managed community facilities, Woodsley Road costs considerably more to run than the income it generates. The 2007/08 council budget for the centre was £80,670. It is anticipated that actual spend for the centre will be on budget.
- 3.4.2 Income generated at the centre, through room lettings has for the past few years been approximately £7,500. However, it is anticipated that 2007/08 income will be approximately £9,500. This increase can be attributed to the work of the Management Committee who have been promoting use of the centre.
- 3.4.3 Only essential and minor repair work has been undertaken at the centre over the past few years, and there are now considerable backlog maintenance requirements. These include: a full roof overhaul; new floorings in both halls; replacement of damaged ceiling tiles; and internal decoration. The backlog maintenance requirements total an estimated £55,000.

3.5 Challenges & Opportunities

- 3.5.1 The Area Committee already has four community centres within its delegated portfolio, it is anticipated that a further three centres will be transferred into the portfolio early in the next financial year. The portfolio will then include the following centres:-

- Becketts Park;
- Burley Lodge;
- Woodsley Road;
- Headingley;
- Meanwood;
- Woodhouse; and
- Little London.

Of these centres Becketts Park and Burley Lodge are currently under long term lease arrangements with community/voluntary sector organisations. In addition to this, there is a possibility that Headingley community centre could be relocated into the Heart initiative at Headingley Primary School should the necessary funding be secured. Plus an expression of interest has been received from an organisation interested in long leasing Meanwood community centre.

- 3.5.2 With an increased portfolio of centres comes increased responsibility for a range of associated issues. These include development and management of a new pricing policy and identification of funding for backlog maintenance. In order to ensure well maintained and fit for purpose centres the Area Committee may, in the future, need to allocate a proportion of its Well-being funding to its community centre portfolio to achieve this.
- 3.5.3 There are presently a number of similar requests for acquisition of community centres ongoing in other parts of the city. The Leeds Muslim Cultural Society is presently in negotiations with the City Council to acquire, through freehold disposal, the Pakistani Community Centre in Harehills. There is also a similar request ongoing concerning the Bangladeshi Centre also in Harehills. Although each case will need to be considered on its own merits, these other examples of similar situations may be

viewed as setting precedents, therefore providing officers and Members are satisfied that the committee is able to run the facility effectively it may prove more difficult to argue against a possible freehold disposal of Woodsley Road (should the Management Committee be able to secure the necessary funds).

- 3.5.4 As can be seen from the income details quoted at 3.4.2, increased income generation has already been achieved at Woodsley Road. The income from the centre has historically been around £7,500 for a number of years, however for 2007/08 this has increased by approximately £2,000. One of the aims of the Management Agreement between the Council and the Management Committee was for the Committee to increase use of the centre, and therefore the income generated, in order that their management of the centre would become a more viable option. Although there will be a finite limit on the possible income generated by the centre, there is still considerable scope for further increasing lettings, and therefore income.
- 3.5.5 The Management Committee of Woodsley Road has for a number of years been supported financially by the Area Committee through Well-being funding. Funding has been given both directly (small grants) and indirectly through Voluntary Action Leeds. Since Voluntary Action Leeds ceased being involved with the centre in April 2007, the Committee have been seeking further funding support from the Area Committee. This request for ongoing financial support has not been fully supported by the Area Committee. If the Management Committee were to be solely responsible, i.e. through freehold disposal, for the management of the centre then such financial requests would be less likely to occur due to the Committee's ability to either raise funds against the value of the centre, or use the centre's income for developmental purposes.
- 3.5.6 The revenue cost savings from the centre being managed by a third party could be utilised to cover the costs of managing new facilities in the area, i.e. Royal Park Community Space. The Council has undertaken to create and manage a community space within the redeveloped building, as of yet the source of the revenue funding needed has not been identified, but savings from Woodsley Road would ensure that Royal Park is well managed and that the funding isn't lost to the area.
- 3.5.7 If there were to be any capital funding generated through the preferred option, i.e. freehold disposal, then in order for the funding to remain within the area (Inner North West) a business case would need developing. A possible example of what this could be used for would be improvements to other community facilities in the area, where existing centres are not presently meeting user needs, such as complying with DDA requirements and having effective heating and insulation.

4.0 Options Appraisal

4.1 Freehold Disposal

4.1.1 Advantages

- Capital receipt generated for possible use on improvements with the area
- Revenue savings for possible use at Royal Park, and/or capitalise for improvements to other community facilities in the area
- No further financial support requests to Well-being
- Officer support time reduced to nil, or thereabouts
- Allow for investment elsewhere in the area

- Council no longer responsible for maintenance of the centre
- Good will between the Council and local Muslim population
- Ward Member support
- Management Committee able to use centre as collateral to raise funds
- Council able to restrict future use of the site to a community centre only

4.1.2 Disadvantages

- Loss of Council interest in the running of the centre
- Increased association of the centre as a Muslim centre
- There may be claw back requirements from past funding (SRB/European)
- Management Committee unable or unwilling to pay restricted market value
- Final approval of disposal would have to go to Executive Board if Management Committee offering less than best value
- Existing and future lettings could not be guaranteed by the Council

4.2 Long Lease

4.2.1 Advantages

- Revenue savings for possible use at Royal Park, and/or capitalise for improvements to other community facilities in the area
- Council retains an interest in the centre
- Break clauses would allow future assessment of the situation and possible change
- Council would no longer be responsible for maintenance of the centre
- Peppercorn rent to the Management Committee, wouldn't have to find a lump sum

4.2.2 Disadvantages

- Management Committee would require/request up to five years of financial support, based on current annual budget (£80,000), therefore no initial revenue saving
- Increased association of the centre as a Muslim centre
- Management Committee unable to raise funds against the value of the centre
- Investment in other local facilities would not be achieved
- Council would be the default funder should the Management Committee not be able cover the cost of essential maintenance
- Existing and future lettings could not be guaranteed by the Council

4.3 Maintain Existing Arrangements (Do Nothing)

4.3.1 Advantages

- Existing lettings guaranteed by the Council
- Council will ensure the centre is always fit of purpose
- Lettings will be in line with citywide Council policy

4.3.2 Disadvantages

- Ongoing resource implications for the Council in terms of officer support

- Expectations of local Muslim population not realised
- Strain on relations with the Management Committee
- Management Committee will continue to request Well-being support
- Council responsible for cost and delivery of backlog maintenance

5.0 Conclusions

- 5.1 The present position does not lend itself to favoring the 'do nothing' option. The Management Committee of Woodsley Road has for some years had the aspiration of taking on full responsibility of the management and running of the centre, and with the achievements they have made over the past eighteen months, i.e. increasing lettings, registering as a charity, developing a business plan, it would be difficult to refuse them either a long lease or freehold disposal.
- 5.2 Officers feel that having put in many hours of resource with the Management Committee further work would result in limited additional outcomes. Likewise it is felt by officers that requesting further input from Voluntary Action Leeds would not be a cost effective means to achieving further development at the centre.
- 5.3 A long lease arrangement, while the most common means of transferring management of a community facility, is not the preferred option of the Management Committee. It also means that the Council would retain some degree of financial responsibility for the maintenance of the centre should the Management Committee be unable to secure whatever funds are necessary for the upkeep of the building.
- 5.4 A long lease arrangement would ensure that the Council retains an interest in the provision of a local community facility should the Management Committee fail to achieve the required finances or management responsibilities. However, there are already a number of community facilities in the vicinity of Woodsley Road, e.g. the Burley Lodge Centre, the Cardigan Centre, Woodhouse Community Centre and the soon to be Royal Park Community Space. If Woodsley Road were to fail as a community centre, under a different management structure, the impact on local affordable community space would not be as great as it would if there were no other centres nearby.
- 5.5 Both a long lease or freehold disposal would provide the Council with enough revenue savings to cover the same cost at the newly created community space within Royal Park. The cost for which has yet to be identified from within the Council's already limited resources. However, under a long lease arrangement the Management Committee would seek three to five years continuation funding of the centre's annual running costs. If this were to be agreed then there would be no revenue savings under this option for up to five years.
- 5.6 The freehold disposal of the site would generate a capital receipt for the Council, in addition to the annual revenue savings that would occur. It is likely that the capital receipt would be subsumed into the citywide receipts programme, unless a convincing business case could be put together for use of the funds within the Inner North West. One possible, and related option would be to put forward a case for the capital funds to be used for improved community centre provision within the locality. Woodhouse Community Centre for example is in need of significant improvements which are at this time beyond the affordability of the community centres maintenance programme.

- 5.7 Freehold ownership of the site would allow the Management Committee to more easily realise their aspirations for the building, as they would be able to use the centre as collateral to raise funds for centre development or improvements.
- 5.8 The Council would be able to ensure, under a freehold disposal, that the site remains a community centre. A restricted covenant would ensure that the Management Committee were unable to either use, or dispose of the site for any other use than a community centre.

6.0 Recommendations

- 6.1 The Area Committee is asked to:-
- a) Note the contents of the report;
 - b) Approve the commencement of negotiations with Woodsley Road Management Committee on the restricted freehold disposal of the centre; and
 - c) Agree to receive a further report on the outcomes of the negotiations and seeking final approval to any proposed disposal.