

**Report of Director of City Development and Director for Communities and Environment**

**Report to Executive Board**

**Date: 7th January 2020**

**Subject: Community Asset Transfer of St Matthews Community Centre to Holbeck Together (previously known as Holbeck Elderly Aid)**

Are specific electoral wards affected? If yes, name(s) of ward(s): Beeston and Holbeck	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	Yes <input checked="" type="checkbox"/> No
Will the decision be open for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	Yes <input checked="" type="checkbox"/> No

**Summary**

**1. Main issues**

- Holbeck is one of the most disadvantaged areas in England with a number of Lower Super Output Areas falling into the most disadvantaged 1% of neighbourhoods nationally (IMD 2015), almost half of households renting their home, higher levels of health inequalities and over 95% of households reporting it difficult to cope on their current income.
- Holbeck Together (HT), formerly known as Holbeck Elderly Aid is a local charity set up to serve older people in Holbeck and the surrounding areas of South Leeds. They have been a regular user of St Matthews Community Centre on a lettings basis and have put a business plan to the Council to support the Community Asset Transfer of the building which will allow them to further develop the services and facilities offered to local residents and opportunities to enhance working with partners.

**2. Best Council Plan Implications** (click [here](#) for the latest version of the Best Council Plan)

The proposals set out in this report contribute to the delivery of the Inclusive Growth Strategy 12 Big Ideas, the Health and Wellbeing Strategy and the Best Council Plan, in particular:

- making Leeds the best city to grow old in

- making Leeds the best city for children and young people to grow up in
- reducing health inequalities and supporting active lifestyles
- improving the quality of lives and growing the economy through cultural and creative activities

### **3. Resource Implications**

- The Communities Directorate revenue budget for St Matthews in 2019/20 is £37,460. Revenue support has already been approved, in association with the proposed 6 year lease to HT of £143,747 over 5 years, achieving a saving of £43,553 over the 5 year period and leading to a nil revenue cost from year 6 onwards for LCC.
- Since April 2016, the Council has incurred c£15,000 of maintenance costs associated with the building. Any long term arrangement for the building will transfer maintenance liability to HT. An agreed schedule of capital maintenance work will be carried out to the building by Leeds City Council in advance of the lease being entered into, including some works to enhance the sustainability of the building.

### **Recommendations**

Executive board is requested to:

- a) Agree to the principle of a Community Asset Transfer of St Matthews Community Centre in Holbeck to Holbeck Together. Subject to the conditions precedent outlined in paragraph 3.4 being satisfied.
- b) Agree as an interim proposal and - pending the resolution of (a) above - to agree a 6 year contracted out lease to Holbeck Together.
- c) Delegate authority to the Director of City Development to finalise the terms of the lease arrangements to Holbeck Together for both the 6 year and longer term lease as well as the agreement to lease;
- d) Note the Chief Officer Asset Management and Regeneration will be responsible for ensuring that the recommendations are implemented
- e) Approve revenue funding to Holbeck Together up to £143,747 over a five year period to be implemented by the Director of Communities and Environment.

### **1. Purpose of this report**

- 1.1 The purpose of this report is to seek Executive Board approval for the Community Asset Transfer of St Matthews Community Centre to Holbeck Together (HT) by way of a 6 year lease alongside an agreement to lease for a longer term period subject to the future submission and approval of a business plan.

### **2. Background information**

- 2.1 Holbeck has a rich history shaped by the people who have lived and worked in the area. It's a history brimming with pride, entrepreneurship and success. Despite this history, Holbeck is now one of the most disadvantaged areas in England with a number of Lower Super Output Areas falling into the most disadvantaged neighbourhoods nationally. The level of income deprivation is significant with over 90% of households reporting that they find it 'very difficult' to cope on their household income. Almost half of residents in

Beeston & Holbeck rent their home which reflects lower levels of housing and financial security than elsewhere in the city.

- 2.2 People in Holbeck experience significant health inequalities, with disproportionately high risks of both heart disease and cancer with malnourishment also being a major issue. This leads to both high levels of hospital admissions and mortality rates 7-10% higher than the average for the city.
- 2.3 There are limited amenities in Holbeck, the local centre is congested with traffic and does not function well and connections to the city centre and neighbouring areas are not currently easy but are being addressed as part of wider redevelopment schemes being brought forward or proposed across South Leeds.
- 2.4 Overall, the picture is of an area where most people are struggling financially, and many live with poor health, rapid social and demographic changes and increases in crime. These come together to present a challenging landscape in which local people and the most vulnerable especially, can find themselves uncertain, sidelined and lonely.
- 2.5 Holbeck Together (HT) is a local charity set up to serve older people in Holbeck and the surrounding areas of South Leeds. For 27 years they have successfully delivered the Leeds City Council Neighbourhood Network Scheme contract for Holbeck. During this period they have established an excellent reach in the local community, establishing networks of support for those living locally. They have expertise in health, social care, dementia, mental health, community transport, nutrition, community development and project management.
- 2.6 HT is governed by a Board of 8 Trustees who meet bi-monthly. They include two local residents, a retired Director of Adult Social Care, Chairman of Skills for Care, a local Councillor, and Head of Operations at the Insolvency Service. In the last 5 years the organisation has secured over £1.5m for the Holbeck community.
- 2.7 Since 2017, HT has had its office in the heart of Holbeck at the former Leeds Building Society building. This presence has helped to increase their engagement with local people and develop their understanding of local need and delivery approaches. The organisation has recently changed its name from Holbeck Elderly Action to Holbeck Together to better articulate its collaborative ethos and the opportunity for it to broaden its contribution as an anchor third sector organisation in its neighbourhood.
- 2.8 St Matthews Community Centre is owned by Leeds City Council and is managed as part of the community centre portfolio. It is located in the centre of Holbeck (site plan attached at appendix 1) and offers a large hall and various meeting rooms with a well equipped kitchen. St Matthew's is a former church and was designed by R.D.Chantrell, architect of Leeds Minster and built between 1829 and 1832. The spire was added in 1860. It is a grade 2 listed building. The church was deconsecrated in 1981 and converted into a community centre. The conversion introduced a suspended ceiling that made the first floor balcony area redundant. The upper floor, roof space and tower are now only used for storage.
- 2.9 HT have been the main users of the building on a lettings basis for several years. Other users of the building include church groups, Islamic language classes, tai-chi classes, children's centre activities and youth service provision.
- 2.10 Although the main hall is relatively well used during the day time, its usage stands at less than 50% of the available weekly time. Other rooms in the centre are used significantly less than this.
- 2.11 Discussions have taken place with HT for some time about their potential management of the building and this has led to the submission of a business plan

setting out the case for Community Asset Transfer of the building with grant support from Leeds City Council from the revenue budget associated with the building.

### **3. Main issues**

- 3.1 St Mathews Community Centre has the potential to be an extremely useful resource for the people of Holbeck, but is currently underutilised and due to its limited use has not been prioritised for investment. Over several years the running costs for the building have been significantly reduced, primarily through changes to caretaking and cleaning arrangements, and through a move to key holding by the regular users. However the building would be much more effective with a permanent local tenant who could bring life to the building, encourage increased local usage, and provide a daily presence at the building.
- 3.2 Holbeck Together have put a business plan to the Council for the lease of St Matthews Community Centre for a 6 year period. The lease of St Matthews Community Centre to HT would not only accommodate existing users of the building but will also support the expansion of its service provision, growth in its revenue base and increased resources targeted to the local community in need. Contributing to a reduction in health inequalities, improvement in employment prospects for residents and reduced levels of poverty and disadvantage. Indeed one of the key areas of focus for HT is the greater provision and accessibility of health support locally and the 'left shift' in care to the community to reduce the volume of hospital admissions.
- 3.3 Whilst HT have outlined their proposals for the initial 6 year period, they are keen to explore the longer term Community Asset Transfer of the Building to further enhance local service provision. As such they are building a business plan to support this ambition which will necessitate a range of works to the building to make better use of underutilised space, to improve the offer to the local community, including wider use by HT as well as other community organisations. This will support the ambitions set out in the adopted Holbeck Neighbourhood Plan which sought to ensure that the building becomes a vibrant hub in Holbeck.
- 3.4 In light of the position outlined above, there are clear benefits to the community that could come through a Community Asset Transfer. However, at this point in time, HT does not have sufficient certainty or resources in place to take on the building on a long term basis. Consequently, a staged approach is proposed that provides HT with sufficient certainty on the basis of the Council's support and that balances the risk of transfer until a sound business plan is developed and submitted and a fully funded proposal has been established. Accordingly, it is proposed that an initial 6 year lease is entered into on the basis of the existing business plan and that the option for a long term lease is made available subject to the following conditions precedent being addressed:
- i) The submission of a sound business plan including a fully funded proposal
  - ii) Planning and Listed Building consent approval for the proposed works to the building
  - iii) Approval to the works of the Church Commissioner
- 3.5 Third sector organisations are able to source grants from a variety of funders to support capital works that the local authority is unable to access directly. For significant investment to be achieved, these funders require a lease to be in place which secures the use of the building over the long term. HT are working with CEG who are the developers behind a number of nearby redevelopment proposals in the

South Bank area of the city and Leeds United Football Club who have both pledged to support the delivery of the capital works. The detailed funding and delivery approach of the works will be articulated in the long term business plan currently being developed up by HT. HT have already submitted a planning and Listed Building application for the building renovation works that are being proposed. This is currently being reviewed and HT have identified sympathetic approaches to both the design and delivery of the works.

- 3.6 Prior to leasing the building a number of backlog maintenance works will be undertaken by Leeds City Council to ensure that the building is transferred to HT following completion of the agreed schedule of works. It is also proposed to replace the boiler which is old and inefficient to ensure that the building meets minimum energy efficiency standards. The totality of the works being undertaken will reduce the operational costs for HT meaning that resources can be more appropriately directed towards service delivery.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 HT have consulted with current users of the building and have recently reconvened a user group committee to share ideas on improvements and shared working in the building.
- 4.1.2 Ward members have been consulted over many years in the lead up to this proposal and are supportive of the transfer.
- 4.1.3 The Executive Member for Communities and Executive Member for Resources have been consulted and are supportive of this transfer.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 An equality, diversity, cohesion and integration screening has been completed and is attached at appendix 2. This shows no negative impacts for the protected characteristics. HT is keen to engage with younger people, particularly, families and young children.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 This Community Asset Transfer proposal contributes to the delivery of ambitions set out in the Inclusive Growth Strategy, Health and Wellbeing Strategy and the Best Council Plan including reducing health inequalities and supporting active lifestyles; making Leeds the best city for children and young people to grow up in; making Leeds the best city to grow old in; improving the quality of lives; and growing the economy through cultural and creative activities.

#### Climate Emergency

- 4.3.2 By providing more services to people locally there will be a reduction in the need to travel to receive these services which will help to reduce carbon emissions.

#### **4.4 Resources, procurement and value for money**

- 4.4.1 The revenue budget for the centre's running costs for 2019/20 is £37,460. A grant payment has previously been approved by delegated decision to provide funding over 5 years to a maximum of £143,747. This gives a saving of £43,553 over the 5 year period leading to a nil revenue cost from year 6 onwards. Equally, the maintenance costs incurred since April 2016 total c£15,000.
- 4.4.2 Planned maintenance will take place as part of the transfer arrangements. The cost of these works is covered through the Council's Corporate Property Maintenance budgets and would have been incurred regardless of the transfer. The 6 year lease will transfer internal maintenance responsibilities to HT with the Council retaining its obligations for external repair and maintenance of the structure. The long term lease will then transfer all repair, maintenance and insurance obligations to HT. A use clause will restrict use to that of a community centre/ a community facility.
- 4.4.3 Land and Property section have advised that the property has an estimated freehold value of £350,000. However, valuations for this type of grade 2 listed former church are necessarily a specialist area. Realising this capital receipt would only be possible if the centre is closed and sold, which is not supported by ward members, and is not a realistic option.
- 4.4.4 Prior to lease of the building, works need to be undertaken to improve the energy efficiency of the building. A new boiler will be installed at a cost of c£9,000. This will be funded from existing resources within the Capital Programme utilising existing delegations to the Director of City Development.

#### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 It is proposed to transfer the property to HT by way of an initial 6 year lease alongside an agreement to lease for a longer term period which will give HT access to the building in its current form to establish and build service provision whilst giving them the confidence that they can build the case and funding required for the long term transfer and capital works. Entering into the longer term lease will be conditional upon HT successfully securing planning consent for the works; the approval of the works by the Church Commissioners; and the submission to and approval of the Council of the long term business plan setting out the way in which the works will be funded and delivered, and how they intend to manage the building on a long term basis.
- 4.5.2 The draft lease terms can be found at Appendix 3 and will be contracted out with break options for both parties so that this can be brought to an end should any difficulties arise.
- 4.5.3 Section 123 of the Local Government Act 1972 provides that a local authority shall not dispose of land for less than the best consideration reasonably obtainable without the consent of the Secretary of State. The Local Government Act 1972: General Disposal Consent (England) 2003 permits local authorities to dispose of land for less than best consideration where:
- the difference between the unrestricted value of the land and the consideration for the disposal does not exceed £2,000,000; and

- the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area.

- 4.5.4 In this case, the difference between the unrestricted value of the land and the consideration for the disposal is within the parameter indicated above. In addition the asset transfer of St Matthews Community Centre to HT will promote/improve the social well-being of the area providing for additional public sessions for community use in the local area, reducing journey times to other facilities and promoting community cohesion.
- 4.5.5 The City Solicitor is therefore of the opinion that the proposed disposal falls within the terms of the Local Government Act 1972: General Disposals Consent (England) 2003.
- 4.5.6 The proposed asset transfer will be used for a local community hub by a local charity which will not distort competition or threaten to do so or affect trade between member states, so there are no implications for State Aid or the Competition Act 1998.
- 4.5.7 Consent of the Church Commissioners will be required for the works proposed by HT, with the Council making the request.
- 4.5.8 Any let building is required to meet the minimum energy efficiency standards for a building to be let as set out in the Energy Efficiency (Private Rented Sector) (England and Wales) Regulations. As such prior to lease of the building works need to be undertaken to improve the energy efficiency of the building. Installation of a modern efficient boiler will improve the energy efficiency of the building and this will be installed prior to the building being leased. Given the works required to the building prior to it being leased to HT and acknowledging the importance of HT making an early start in furthering service provision and their impact within the community, it may be necessary to allow HT to take control of the building via a licence initially. Should this be the case, it will be entered into under delegated powers by the Director of City Development.
- 4.5.9 There are no Access to Information implications. The decision is subject to call-in.

## **4.6 Risk management**

- 4.6.1 There is a risk that HT takes over the community centre but cannot operate it viably or fails to effectively manage the building. The lease will protect the ongoing operation as a community centre and if it doesn't continue to operate as such, then the council will be able to surrender the lease and take back the building. In such circumstances a decision would have to be taken about whether or not the council re-opened the centre itself, which would cause a budget pressure, or whether the centre was closed. In any case, given that if the community asset transfer didn't go ahead the centre would remain operational as a council venue, the risk to the council is no greater than the current position. Furthermore, HT's business plan appears viable and they already run premises in the Holbeck area. HT are aware of their management obligations and have a strategy to ensure these are fulfilled. All Community Asset Transfers are monitored and where there is a risk that organisations are failing to meet their obligations, this is raised with the organisation in question and support offered, as appropriate.
- 4.6.2 There is a risk that HT's longer term business case does not proceed for a range of reasons including a lack of funding for the proposed building works. If the long term

transfer does not take place, then the short term arrangements will be reviewed as the original 6 year lease comes to an end.

- 4.6.3 The works to the building proposed as part of the longer term transfer will require the consent of the Church Commissioners. There is a risk that this consent will not be given. The Council is having early dialogue with the Church Commissioners to ensure that any concerns are addressed at an early stage.

## **5. Conclusions**

- 5.1 It is proposed, subject to member support, to progress a lease of St Matthews Community Centre in Holbeck to Holbeck Together, for a 6 year period to allow time for a fully funded business plan to be worked up for the long term transfer of the property subject to the conditions precedent set out at paragraph 3.4. The centre currently runs at a financial deficit to the council and transferring the centre will result in a saving of running costs and will provide a more viable provision.
- 5.2 Whilst it is the case that the Council could decide to dispose of the property, this could only be realised if the current community centre provision closed and the building sold, which is not supported by ward members and is not the proposition being brought forward in this report. Consequently, any transfer will condition the use of the building for community facilities.

## **6. Recommendations**

- 6.1 Executive Board is requested to:
- a) Agree to the principle of a Community Asset Transfer of St Matthews Community Centre in Holbeck, to Holbeck Together, subject to the conditions precedent outlined in paragraph 3.4 being satisfied.
  - b) Agree as an interim proposal and pending the resolution of (a) above, to agree a 6 year lease to Holbeck Together
  - c) Delegate authority to the Director of City Development to finalise the terms of the lease arrangements to Holbeck Together for both the 6 year and longer term lease as well as the agreement to lease;
  - d) Note the Chief Officer Asset Management and Regeneration will be responsible for ensuring that the recommendations are implemented
  - e) Approve revenue funding to HEA/ Holbeck Together up to £143,747 over a five year period to be implemented by the Director of Communities and Environment.

## **7 Background documents<sup>1</sup>**

- 7.1 There are no back ground documents.

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<sup>1</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.