



Report of the North East Area Manager

North East (Inner) Area Committee

Date: 16th October 2006

Subject: 53 Louis Street

Electoral Wards Affected:
Chapel Allerton

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

The report provides an update to the North East (Inner) Area Committee regarding funding of the Feel Good Factor and the lease of 53 Louis Street, Chapeltown.

It requests that the Area Committee act as guarantor for the Feel Good Factor and underwrite the sum of £49,000 over 10 years as specified by the Big Lottery Fund.

Purpose Of This Report

1. The purpose of this report is to update the Area Committee on progress with the lease negotiations and to make recommendations regarding conditions of funding set out by the Big Lottery Fund in relation to the spend of Lottery capital funding on renovation works to 53 Louis Street by the Feel Good Factor.

Background Information

2. The Feel Good Factor is a community led project which aims to improve the health of people in Chapeltown and Harehills through improved access to opportunities for healthy living and promotion of physical and mental well being. Unity Housing Association act as the accountable body for the group, and provide the current base for the project on Chapeltown Road.
3. 53 Louis Street is one of the community centres delegated to the North East (Inner) Area Committee. A survey and condition report drawn up on behalf of Neighbourhoods and Housing identified £11,530 of essential work to bring the building up to a habitable standard in its current layout. The Feel Good Factor have identified a total of £71,250 of capital refurbishment work to bring the building up to habitable standard and to carry out significant alteration work so that it is fit for their purpose and to allow them to expand the range of activities they offer.
4. The Area Committee has previously shown their support for the Feel Good Factor with a £6,000 grant from the Well-Being Fund for disabled access works to 53 Louis Street.
5. Officers from Area Management and Asset Management have been negotiating with the Feel Good Factor to secure terms that are agreeable to all. These were expected to reach a conclusion by summer 2006.

Main Issues

6. The bulk of the capital funding £49,000 that the Feel Good Factor will be using to pay for the improvement works is from a Big Lottery grant. In July 2006 the Big Lottery informed Feel Good Factor of a number of conditions on the spending of this grant that they were previously unaware of. The conditions are:
 - A minimum ten year lease offer;
 - A charge on the building to ensure that the Lottery have an interest in how it is used, that it remains within the scope of the grant and that it cannot be sold or altered without consultation;
 - Assurances of Feel Good Factor's sustainability past the grant period and planning beyond.
7. Officers from Area Management and Asset Management will work with the Feel Good Factor to negotiate the ten year lease offer, and are confident that their current support from Unity Housing to complete a robust business plan will ensure their sustainability beyond the grant period.

8. The issue of a charge on the building is more complex. The guidance states 'the Big Lottery Fund will need a deed of dedication or to place a legal charge on the building to ensure that we have an interest in how it is used, that it remains within the scope of the grant and that it cannot be sold or altered without consultation with ourselves for ten years'. This effectively means that if the use of the building changed at any time during the ten years, the building owner (Leeds City Council) might be liable to pay back some or all of the grant monies to the Big Lottery.
9. The Big Lottery have given assurances that if the Feel Good Factor were to leave 53 Louis St within the 10 year period they would be unlikely to require grant money back if the building continues to be used for community, education or health related purposes.
10. The Area Committee is responsible for the centres vested with Neighbourhoods and Housing Department (including 53 Louis St). This gives the Area Committee responsibility for; overseeing revenue budgets, operational arrangements and the use of centres, agreeing and implementing a revised schedule of charges and discounts for directly managed centres and making asset management and investment proposals to ensure the portfolio is sustainable and meets local needs. The delegated budget details for 53 Louis St are attached in appendix 1.
11. Appendix 1 shows that if the Big Lottery were to clawback any funding, the existing delegated budget would not cover the cost. The Executive Board has made it clear as part of the delegation that with regard to future capital investment needs, Area Committees can make investment decisions from their own Well Being budget.
12. The Area Committee is therefore requested to consider giving a guarantee that if use of 53 Louis St alters significantly and the Council is asked to repay grant funding to the Big Lottery that Well-Being Funds would be made available for this purpose. The Committee should note that the £49,000 capital reduces pro-rata every year that passes following the improvement works. It should also note that if the property was subsequently disposed of by the Council that any Area Committee Well-Being Fund outlay would be reimbursed.

Recommendations

13. The Area Committee is requested to demonstrate their on-going commitment to the development of the Feel Good Factor to underwrite the sum of £49,000.