

Report of the Director of City Development

Report to: Executive Board

Date: 18 July 2012

Subject: Community Asset Transfer of Holbeck Youth Centre to Health for All (Leeds) Ltd

Are specific electoral Wards affected? If relevant, name(s) of Ward(s): Beeston & Holbeck	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Is the decision eligible 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:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No

Summary of main issues

1. Health for All (Leeds) Ltd (HFA) currently occupy Holbeck Youth Centre and are in the second year of a six year lease. The property requires significant improvements and HFA are willing to raise funding for these works, but only if they have a long term interest in the property. Community asset transfer by way of a 25 year peppercorn lease has been requested.
2. The building will be used by 300 people a week attending activities run by HFA and four external organisations.
3. The site has alternative development potential for housing. On this basis the site has been valued at £100,000.

Recommendations

4. It is recommended that Executive Board approves the community asset transfer of Holbeck Youth Centre to Health for All by way of a 25 year peppercorn lease with full repairing and insuring liabilities.

1 Purpose of this report

- 1.1 The purpose of this report is to seek Executive Board's approval for community asset transfer of Holbeck Youth Centre to Health for All (Leeds) Ltd by way of a 25 year peppercorn, full repairing and insuring lease.

2 Background information

- 2.1 Holbeck Youth Centre is based on (old) Elland Road in Holbeck. The original building was constructed as a purpose built youth hall in the mid 1970s with a later extension that included a games room and changing rooms. Adjacent to the building is a multi use games area (MUGA). A site plan is attached at Appendix 1.

- 2.2 The property is currently part of Environment & Neighbourhood Directorate's community centre portfolio and is leased to Health for All (Leeds) Ltd (HFA). HFA have a six year lease on the building (due to end in 2017) with full repairing and insuring responsibilities. Rent was originally going to be one peppercorn for year 1 then increasing by £1,500 each year until year five with rent paid at 50% of full market value after year five. At the time of that agreement market rental was assessed at £19,600 per year. However, due to loss of funding for one of their projects HFA received 100% rental support in 2011/12 and will receive 95% rental support in 2012/13. For the remainder of the lease 90% rental support will automatically be provided although HFA can apply for the remaining 10% charge to be waived.

- 2.3 HFA is a charity and company limited by guarantee. The charity was established as South Leeds Health for All 20 years ago with one member of staff delivering a £30,000 project. It now has 143 members of staff and annual income in excess of £2m. The organisation's mission statement is: To transform communities through health, learning, support and enterprise by:

- Supporting children, young people and families;
- Promoting healthy lifestyles;
- Linking communities to learning and employment;
- Stimulating community enterprise;
- Improving priority neighbourhoods;
- Respecting and celebrating diversity;
- Enabling effective communication with communities.

- 2.4 The 17 projects supported by HFA provide a range of services to the community, including transport, childcare, support for the development of self help and support groups, intensive family support, play and youth activities, a community magazine, learning, employability and volunteering opportunities, services for carers, isolated elders and people with learning disabilities, youth work, health training, adult physical activities, healthy lifestyle courses and cooking demonstrations, children's sports, dance and physical activity sessions.

- 2.5 HFA currently run projects from six properties, three of which are leased from the council:

- Holbeck Youth Centre – 6 year lease on a full repairing and insuring basis;
- Tenants Hall Enterprise Centre – 20 year peppercorn lease on a full repairing and insuring basis;
- Former Beeston Library – 3 year peppercorn lease on a full repairing and insuring basis.

3 Main issues

- 3.1 In 2009 HFA successfully applied for £60,000 of grant funding to update Holbeck Youth Centre and make it suitable for the youth project that it runs from there. However, since then they have increased the number and variety of projects being delivered. To continue to operate as a valuable community asset the property requires investment. For example:
- the main entrance doorway opens straight into the main hall. This is not ideal especially when the hall is being used for projects with young people or people with learning disabilities. A video intercom is required as a minimum;
 - furniture and equipment for the main hall is currently stored in the hall itself. Storage cupboards need building in to half the hall at least;
 - there is no ceiling insulation and the boiler is outdated leading to high utilities costs. Insulation will be installed wherever possible throughout the building and a new boiler with modern temperature controls fitted;
 - the roof over the main hall is pitched and made of asbestos. The remainder of the property has a flat roof. The roofs will all be replaced to increase security, safety and to aid heat retention;
 - new doors need fitting throughout the building to improve access for wheelchair users.
- 3.2 Undertaking these works would be seen as the minimum necessary to secure long term use of the property. A feasibility study has been undertaken looking at various options for major refurbishments to the property and these options vary from the minimum intervention (replacing the roof) at £70,000 to significant structural alterations to the property at £1,150,000. HFA prefer the option that would cost £367,500 because this represents the best balance between improvements and affordability. However, the pressing issue is the roof and this will be prioritised in the first instance in terms of major capital fundraising. However, a lot of the other works, such as insulation, new doors etc could be funded on a piecemeal basis through applications for smaller grants, but HFA can only commit the resources necessary to apply for that funding if they know they have a long term interest in the property.
- 3.3 HFA are prepared to raise the finance to improve the property, but to do so they require longer tenure on the property. A 25 year lease is therefore requested to enable them to commit to raising the funding and to give the security necessary for any funders who may contribute to the project.
- 3.4 As part of monitoring of the community asset transfer, the following outputs have been agreed and will be monitored annually:

- attendance by an average of 300 people per week at activities in the centre, including activities provided both by Health for All and by external organisations;
- use of the centre by four external organisations providing activities for the benefit of the local community per week;
- monitoring information to include the nature of the activity and the make up of the user group (eg older people, people with learning disabilities, young people or local community);
- the roof to be replaced within five years of the date of the commencement of the lease.

4 Corporate Considerations

4.1 Consultation and Engagement

- 4.1.1 The proposal is supported by the Holbeck Partnership Steering Group. HFA have consulted with users of the centre and the wider Holbeck community.
- 4.1.2 Beeston & Holbeck ward members have been briefed and are supportive of the proposal.

4.2 Equality and Diversity / Cohesion and Integration

- 4.2.1 An equality, diversity, cohesion and integration screening has been carried out and published on the Council's internet site. The screening found that by increasing accessibility to the property the proposal will particularly benefit wheelchair users, people with learning disabilities and those with hearing impairments. No negative impacts were found.

4.3 Council policies and City Priorities

- 4.3.1 The proposal is in line with the draft community asset transfer policy considered by Executive Board in March 2012 and which is currently out for consultation.
- 4.3.2 The proposal has been marked according to the framework developed as part of the draft community asset transfer policy. Of the 32 questions on this framework it marked positively for 25, negatively for 4 and was not applicable for 3. The negative marks were on the following sections:
- Does the asset transfer link to any contract, service level agreement or other formal agreement with the sponsoring service or other LCC service? – There are no formal agreements associated with the proposal;
 - Have alternative buildings been considered that could be more suitable for the proposal and is this the most suitable building? - Other buildings have not been considered. The building is currently used by HFA for this purpose and is well located;
 - Has an independent assessment been undertaken that shows the business plan to be viable? - An independent assessment is not needed. Officers in E&N and Asset Management are happy that the business plan is viable;

- If approved would this be the organisation's first successful request for community asset transfer? - Health for All also run Middleton Enterprise Centre on a 20 year lease.

The consideration of this project against the full proposed CAT framework is set out in Appendix 2.

4.4 Resources and value for money

- 4.4.1 Under the current rental support agreement HFA are obliged to pay rent of £1,960 per year for the next five years, although they could apply each year for this charge to be waived. Under the proposed asset transfer no rent would be payable. However, HFA intend to significantly improve the property and this work would not take pace without the longer agreement.
- 4.4.2 An assessment of the alternative development potential of the site has been undertaken. The assessment showed that the site had potential for a small residential scheme and this would be the highest value use. On this basis the site has been valued at £100,000.

4.5 Legal Implications, Access to Information and Call In

- 4.5.1 This report is eligible for Call In.

4.6 Risk Management

- 4.6.1 The proposal is low risk. Conditions in the lease will protect the use of the property to community activities. Draft heads of terms are attached at Appendix 3. BEA will be responsible for all repairs and insurance. HFA's business plan for the centre is considered viable and their track record is very good. Should the project ultimately prove undeliverable the property will revert to us for reuse or disposal. It is likely we would demolish the existing building and re-use or dispose of the site.

5 Conclusions

- 5.1 HFA are a long established charity and have provided valuable services to communities in South Leeds for over 20 years and now cover the whole of the city. Their proposal to take a long lease on Holbeck Youth Centre will see the property improved to the benefit of their service users and the local community. The business plan for the centre is considered viable and low risk. However, the project will result in the loss of a potential capital receipt, estimated at £100,000.

6 Recommendations

- 6.1 It is recommended that Executive Board approves the community asset transfer of Holbeck Youth Centre to Health for All by way of a 25 year peppercorn lease with full repairing and insuring liabilities.

7 Background documents¹

7.1 Asset Management Service file.

7.2 Equality, Diversity, Cohesion and Integration Screening

¹ The background documents listed in this section are available for inspection on request for a period of four years following the date of the relevant meeting. Accordingly this list does not include documents containing exempt or confidential information, or any published works. Requests to inspect any background documents should be submitted to the report author.