

## **Appendix B**

### Capital Grant for the Purchase & Refurbishment of Hillside Primary School

#### Summary

The Leeds LEGI Programme aims to assist in the creation of three asset owning development trusts (not for profit distribution companies owned by the local community). The first of these projects is to support Tiger 11 (Together in Growth and Economic Regeneration in Leeds 11) to purchase and refurbish Hillside Primary School in Beeston, LS11. This report provides details for Executive Board to note on the capital grant allocation for this particular scheme.

#### Project Description

1. For Tiger 11 to purchase & refurbish Hillside School as a managed workspace facility providing office/workshop space for local businesses/community organisations based in the LS11 Area.
2. For the refurbished facility to provide 318 sq m of space for the Beeston Catalyst Centre.

#### Project Costs & proposed Funding Sources

A detailed business plan and scheme design has been produced which demonstrates that the project is viable & sustainable after initial pump priming investment.

The Costs of the project are as follows :

Purchase of the Site	£ 400,000
Refurbishment & Construction	£1,626,000
Equipment/Start Up Capital	£ 299,000
<b>Total Costs</b>	<b>£2,325,000</b>

It is proposed that these costs are met by a combination of LEGI & other grant sources with the bulk of the resources (£1,550,000) being provided by commercial finance. The finance will be secured against the property asset.

#### Legal and Resource Implications

1. Any grant aid provided by the LEGI programme has to comply with State Aid Regulations. The proposed capital grant of £200,000 and £300,000 of revenue support meets these conditions.
2. Tiger 11 is currently incorporated as a not for profit company limited by guarantee. It is in the process of converting to an Industrial & Provident Society (IPS). This will provide the best structure to lock in the community benefit of its assets while promoting active participation in the company through share ownership by local residents.
3. LEGI grant aid is conditional on negotiations being completed for the disposal of Hillside School. Agreement in principle has been reached with Asset Management on a purchase price of £400,000 (which represents full market value for this particular site)

