

SUBJECT: ST GILES COMMUNITY CENTRE

DIRECTORATE: COMMUNITIES AND ENVIRONMENT

REPORT AUTHOR: ANTONY ANGUS – RECREATION SERVICES TEAM LEADER

1. Purpose of Report

- 1.1 To advise members of a Community Asset Transfer (CAT) application from Lincolnshire YMCA relating to St Giles Community Centre.
- 1.2 To seek approval, subject to a successful funding application by Lincolnshire YMCA, to asset transfer St Giles Community Centre.

2. Background

- 2.1 Lincolnshire YMCA are seeking to expand their role and functions in the area. They have identified funding opportunities through the national Youth Investment Fund.
- 2.2 St Giles Community Centre has had low community use for some years now. In addition, Lincolnshire County Council who currently lease the building on a pro-rata basis have given notice on their licence agreement to use the centre. The licence expires on 31 December 2022.
- 2.3 The Centre is currently valued on the asset register as at 31st March 2022 at £680,000.
- 2.4 Previously a youth centre was located next to the community centre but was subject to an arson attack in September 2016 which resulted in the building being demolished.

3. Community Asset Transfer

- 3.1 Community Asset Transfer (CAT) involves the transfer of the responsibility for an asset from the Council to a community group or voluntary organisation. This can be done through either a transfer of management responsibility, short or long term lease, or through the transfer of outright ownership. Transfer of the asset can be at less than market value.

Lincolnshire YMCA have submitted a community asset transfer application. The application is comprehensive and includes business plan, financial forecasting and risk assessment. A successful asset transfer and funding bid would see £1.5m capital investment in the premises to improve and enhance them as a community facility. Initial plans would see the retention of the sports hall, installation of a lift and remodelling of the first-floor accommodation including the installation of windows. These works would be subject to planning application processes.

- 3.2 The asset transfer would be dependent on a successful bid to the national [Youth Investment Fund](#). This is a £368m fund that aims to drive positive outcomes for young people through the creation, expansion and improvement of youth facilities and services.
- 3.3 The fund is [targeted](#) to specific areas of need on a ward basis. Abbey, Birchwood, Castle, Glebe, Minster, Moorland and Park in Lincoln qualify. St Giles Community Centre is therefore located within a target area. Grants can be used on the cost for building, renovating or refurbishing youth facilities as well as the associated costs (project management, professional costs, legal fees). Grants cannot be used to lease or purchase land or buildings. The fund can include revenue support as well as capital funding with a notional ratio of 80:20.
- 3.4 Officers from Finance, Property and Recreation Services have evaluated the CAT application and agreed that it is viable and would be a positive use for a currently little used facility. Early discussions have taken place with LCC Youth Services, who are supportive in principle and interested in being included as a stakeholder.
- 3.5 Lincolnshire YMCA are open to maintaining use of the premises by current hirers where feasible. Where this is not possible there is available capacity at Sudbrooke Drive Community Centre located 1 mile away.

4. Strategic Priorities

4.1 Let's drive inclusive economic growth

This proposal would see £1.5m capital investment in a facility.

4.2 Let's reduce all kinds of inequality

This proposal would improve access for all within the centre and improved facilities and activities for children and young people. The majority of current users will be able to continue using an improved building. Where this is not possible capacity is available at Sudbrooke Drive Community Centre.

4.3 Let's address the challenge of climate change

The proposal would see improvements to the building to make it more energy efficient and reduce the carbon footprint.

5. Organisational Impacts

5.1 Finance (including whole life costs where applicable)

The centre has a current asset value of £680,000, which will remain on the Council's balance sheet.

The current proposal is for a 25-year lease to the YMCA at nil consideration.

The transfer of the centre to Lincolnshire YMCA would yield an ongoing revenue saving as per the MTFS as outlined in the table below.

	Budget 2023/2024	Budget 2024/2025	Budget 2025/2026	Budget 2026/2027	Budget 2027/2028
Expenditure	22,730	23,310	23,710	24,120	24,530
Income	(10,090)	(10,400)	(10,710)	(11,040)	(11,370)
Net Budget	12,640	12,910	13,000	13,080	13,160

The ongoing revenue savings will be contributed to the Towards Financial Sustainability (TFS) savings programme.

5.2 **Legal Implications including Procurement Rules**

The council community asset transfer process has been followed.

5.3 **Equality, Diversity and Human Rights**

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

Use of the centre has been very low for several years. Some hirers will be able to continue use of the building through Lincolnshire YMCA. Capacity is available at Sudbrooke Drive Community Centre to absorb any displaced hirer.

The building will be improved and enhanced to provide better access for all.

Lincolnshire YMCA have a robust equality, diversity and inclusion policy.

Given that there will be minimal impact on existing hirers it is not felt that there is need for an Equality Impact Assessment. YMCA will engage with existing hirers to discuss requirements it is firmly believed we can accommodate all hirers.

5.4 **Human Resources**

There are no direct staffing implications.

5.5 **Land, Property and Accommodation**

As set out in paragraph 3.1, a CAT involves the transfer of the responsibility for an asset from the Council to a community group or voluntary organisation. The transfer is often at less than 'best consideration' i.e., below market value, based on the proposed mode and manner of operation of the asset and for agreed purposes and principles of direct community engagement/access/use and, possibly, wider community benefits.

CAT's can take the form of a freehold or leasehold transfers but are more typically leasehold transfers i.e., 25 years +. This is the preferred means of transfer to secure the agreed purposes and principles, the ongoing management and maintenance of the asset and a reversionary interest (and any future value including for alternative uses or redevelopment purposes) in the Council.

The proposed CAT Lincolnshire YMCA is in the form of a 25-year peppercorn lease of the premises.

A disposal by way of lease for more than 7 years must be at best rental consideration unless Secretary of State's consent is obtained, however, the Local Government Act: General Disposal Consent (England) 2003 gives consent for disposal at an undervalue (not exceeding £2,000,000) in circumstances where the local authority considers that the purpose for which the property is to be disposed is likely to contribute to the achievement of any one or more of the promotion or improvement of economic, social or environmental well-being in its area. In deciding this, it is expected that authorities will also have regard to their community strategy/strategic plans and act reasonably and prudently to fulfil their general fiduciary duty in a way that is accountable to local people.

The justification for this disposal at less than best consideration is on the basis that Lincolnshire YMCA is a not-for-profit organisation and there are perceived social and environmental outcomes for the public benefit from the YMCA investing and enhancing the building, as a community asset, to provide better access for all.

5.6 Significant Community Impact &/or Environmental Impact

Improvements to the building would see a reduced carbon footprint.

The building would meet an identified need to provide an enhanced facility targeted at children and young people.

6. Risk Implications

6.1 (i) Options Explored

To asset transfer St Giles Community Centre on condition of a successful funding application by Lincolnshire YMCA. This is the preferred approach.

To reject the asset transfer application.

6.2 (ii) Key Risks Associated with the Preferred Approach

The key risk would be that the centre becomes unviable in the future when revenue support from the Youth Investment Fund ceases. YMCA have a good track record of operating facilities sustainably.

7. Recommendation

- 7.1 It is recommended to agree to asset transfer St Giles Community Centre to Lincolnshire YMCA via a 25-year lease subject to successful funding being obtained from the Youth Investment Fund.

Is this a key decision? No

Do the exempt information categories apply? No

Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply? No

How many appendices does the report contain? None

List of Background Papers: None

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