



Name of meeting: Cabinet
Date: 16 March 2021
Title of report: Disposal of Freehold Reversion - Apna Centre, Prospect Street, Springwood, Huddersfield

Purpose of report This report seeks to approve the disposal of the freehold reversion of the land that comprises the Apna Centre, Prospect Street, Springwood, Huddersfield

Key Decision - Is it likely to result in spending or saving £250k or more, or to have a significant effect on two or more electoral wards?	No
Key Decision - Is it in the Council's Forward Plan (key decisions and private reports?)	No
The Decision - Is it eligible for call in by Scrutiny?	Yes
Date signed off by <u>Strategic Director</u> & name	David Shepherd - 26.02.21
Is it also signed off by the Service Director Finance?	Eamonn Croston - 26.02.21
Is it also signed off by the Service Director for Legal Governance and Commissioning?	Julie Muscroft - 03.03.21
Cabinet member portfolio	Cllr Graham Turner (Corporate)

Electoral wards affected: Newsome

Ward councillors consulted: Cllr Andrew Cooper, Cllr Karen Allison, Cllr Susan Lee-Richards

Public or private: Public

GPR - Has GDPR been considered? Yes, GDPR has been considered. The information in this report does not identify any individuals.

1. Summary

- 1.1 The Apna Centre (formerly the Sikh Leisure Centre) was developed in the 1980s by the Sikh Community, working in partnership with Kirklees Council and the Kirklees Racial Equalities Council. The project formed part of a wider initiative to develop capital projects for the Pakistani, Indian and Afro-Caribbean communities.
- 1.2 The Centre comprises a large hall used to host community and charitable events, sports and recreation activities and private hire functions including weddings and other social events. Other facilities include meeting room space, an IT suite and former day care room. The basement area, which has independent access from Prospect Street has previously provided office space for a local charitable organisation and is currently occupied by a local gym club.
- 1.3 Plan reference 21-0054c (attached at Appendix A) shows edged red the extent of the land (1618 square metres) to be considered for disposal. The land is made up predominantly of that leased to the Trustees of the Sikh Social Centre plus some additional small areas historically occupied by and now forming part of the Apna Centre site. Investigations of the Highway Authority have revealed that part of the building has been built over an area of land which still forms part of the adopted highway, having not been included within the Grove Street stopping up order dated 1st December 1987. The Highway Authority have advised that a further stopping up order made under Section 116 of the Highways Act 1980 will be required to regularise this.
- 1.4 The Trustees of the Sikh Social Centre (now Sikh Leisure Centre) were granted a lease on the land from 1 January 1984 for a term of 99 years. The lease contains a covenant restricting use of the land to a community centre or such other use as the Council may agree at its absolute discretion.
- 1.5 The lease required the Trust to construct (and thereafter maintain) a community hall on the land within a period of five years from the commencement date.
- 1.6 The Council subsequently granted a supplemental lease in 1991 on neighbouring land previously forming part of Grove Street to accommodate an extension to the building.
- 1.7 The current rent passing is £5500 (five thousand five hundred pounds) per annum.
- 1.8 The Centre was originally developed at a cost of £700,000, funded in part with grant funding from the Council (£112k), Government Urban Renewal (£100k) and Sports Council monies (£30k). The balance of the cost was funded through donations and interest free loans from the Sikh community.

A further £500,000 was invested in 2005/6 in extending the Centre and creating a public bar area, first-floor function room, additional toilet facilities and disabled access. This was funded by private finance by the Sikh community.

To date the total investment made by the Sikh Leisure Centre is £958,000 which equates to 80% of the total development cost.

- 1.9 The Sikh Leisure Centre is a registered charity (Charity number: 1122132). The objects of the charity are *for the benefit of the public in particular but not exclusively the Sikh community by: 1) advancing education and promoting good health and by providing or assisting in the provision of facilities for sport, recreation and other leisure time activities and promotion of social welfare with the object of improving their conditions of life; and 2) advancing education in the intellectual, artistic, economic and cultural background of the Sikh community; and 3) such other charitable purposes as the company may determine from time to time.*
- 1.10 The Centre, now renamed the Apna Centre meaning 'Our' in Punjabi, is considered a legacy project by the Sikh community. This is reflected in the original capital investment and ongoing commitment to the facility.

2. Information required to take a decision

- 2.1 The Apna Centre is located within the Newsome Ward. It sits close to the boundary with the neighbouring Greenhead and Crosland Moor/Netherton Wards. The Centre is also well placed to serve the wider community of South Kirklees given its close proximity to Huddersfield town centre and public transport links.
- 2.2 The map attached at Appendix B shows the Lower Super Output Areas (SOAs) within the Newsome, Greenhead and Crosland Moor/Netherton wards based on the Indices of Multiple Deprivation (IMD) 2019 data produced by the Department for Communities and Local Government. All Wards share similar characteristics in that all have communities within the worst 10% of deprived nationally and significant areas within the worst 40%.

The IMD is based on seven domains which are income, employment, health deprivation and disability, education skills and training, barriers to services, crime and living environment.

- 2.3 Work carried out by the Councils Governance, Third Sector and Community Cohesion teams has identified the following priority outcomes which can be supported by the Apna Centre:
- Health and Wellbeing (including mental health and social exclusion)
 - Drug and alcohol abuse
 - Poverty
 - Homelessness
 - Hate crime
 - Anti-social behaviour
 - Youth provision
 - Support for older people

- 2.4 In the summer of 2020, the Apna Centre Trustees carried out a programme of engagement with the community, third sector and partner organisations. The engagement included online surveys, stakeholder interviews and online workshops. The engagement process was well supported with representation from a range of stakeholder partners and community anchors. The engagement process re-affirmed the importance of community facilities and the vital role they play in supporting our communities and delivering the Councils Vision and shared outcomes.
- 2.5 Participants identified a range of services and initiatives that the Apna Centre was able support with particular emphasis being place on health and wellbeing, education, training and employment and community/social events.
- 2.6 The Trustees acknowledge the need for further investment in the refurbishment and modernisation of the Centre. Having identified priorities for capital investment and potential grant funding sources, the Trustees have requested that the Council consider the transfer of the freehold reversionary interest in the Prospect Street land in order to secure the investment needed to further develop the facility.
- 2.7 Transfer of the Prospect Street land would be subject to restrictive covenants for community use with the exception of up to 30% permitted commercial use. It is widely acknowledged that in order to be sustainable community groups are increasingly reliant on income from commercial activity to support the delivery of community services.

The transfer would also be subject to the Trustees entering into a collateral agreement with the Council to give the right to the Council to hire the premises for election polling should the Council wish to do so.

Disposal at less than best consideration

- 2.8 The land at Prospect Street was valued on 9th February 2021. The valuations have been provided in accordance with the requirements of the Local Government Act 1972: General Disposal Consent (England) 2003 and the RICS Valuation –Global Standards 2017.

The unrestricted value is the best price reasonably obtainable for the property. It is the market value of the property taking into account any additional amount which might reasonably be expected to be available from a purchaser with a special interest. In general terms, unrestricted value is intended to be the amount which would be received for the disposal of the property where the principal aim was to maximise the value of the receipt. Crucially the valuation is carried on the assumption that the terms of the freehold transfer will not seek to restrict use.

The unrestricted value is £200,000.

The restricted value is the market value of the property having regard to the terms of the proposed transaction but crucially it also takes into account any

reduction in the council's expenditure on its statutory functions that will derive from the transaction.

There are no terms of the proposed transfer which are of a direct or indirect financial benefit to the Council in the delivery of statutory functions and which can be taken into account in the valuation and therefore in this case the restricted value is the same as the unrestricted value.

The restricted value is therefore also £200,000.

Cabinet is reminded that these valuations are based on the concept of "best consideration" in accordance with the requirements of S.123 of the Local Government Act 1972. These valuations are carried on the assumption that there will be no restriction on user.

It is though proposed to transfer the freehold reversion with a restriction on use to community use. Therefore, it should be appreciated that whilst the Council will forgo a capital receipt of £200,000 the actual value of the freehold reversion that will be transferred will be significantly less because the use of the land will be restricted.

- 2.9 It is proposed that the freehold of the land is transferred for nil consideration, taking into consideration that the building is owned by the applicant and the social objectives derived from it.
- 2.10 The General Disposal Consent (England) 2003 allows the Council to dispose of land at an undervalue not exceeding £2m where the disposal will help secure the promotion or improvement of the economic, social or environmental well-being of the Councils Area. In this case the unrestricted market value is £200,000 and therefore well below the £2m threshold permitted under the General Disposal Consent.
- 2.11 The transfer of the freehold at nil consideration will assist in the promotion of social well-being because it will facilitate the investment and development in a community asset.

Options

- 2.12 The Council has the following options: -
- a) Refuse the request to transfer the freehold reversion to APNA centre to the Sikh Leisure Centre.
 - b) Refuse the request to transfer the freehold reversionary interest of the land at Prospect Street, Springwood, Huddersfield at less than best consideration.
 - c) Agree to the transfer of the land at Prospect Street, Springwood, Huddersfield to the Trustees of the Sikh Social Centre at less than best

consideration for the promotion and improvement of social, economic and environmental wellbeing.

3. Implications for the Council

- **Working with People**

The Council has worked with the Apna Centre Trustees to assess the current and future role of the Centre in supporting communities. The Trustees aspirations and vision for the Centre has been informed through engagement with the community, stakeholders and the Council.

Newsome Ward Members have been providing direct support to the Trustees and been fully engaged in the recent consultation. Members have been formally consulted as part of the Cabinet reporting process to allow them opportunity to make representations on behalf of the community.

- **Working with Partners**

Officers have worked collaboratively with the Trustees, council services and partner organisations in considering the application to transfer the freehold. The stakeholder engagement carried out by the Trustees in 2020 involved broad representation from within the community and partner organisations to ensure that needs of the community were understood and reflected in any proposals for the Centre.

- **Place Based Working**

The proposed transfer underpins Place Based Working, providing an opportunity for the more efficient and effective use of a valuable community asset. The proposed transfer provides new opportunities for inward investment to develop and improve the Apna Centre for local social, economic and environmental benefit.

- **Climate Change and Air Quality**

The Trustees are committed to investment in the refurbishment and modernisation of the Centre. Priority works include investment in a replacement boiler, heating system and improvements to the fabric of the building. These will improve energy efficiency, reduce running costs and contribute towards the Councils carbon reduction targets.

- **Improving outcomes for children**

Community assets play a crucial role in the delivery of services to all members of the community, including young people.

It is recognised that there is a requirement for additional space within the Newsome Ward to support youth provision. Engagement with the community has identified the Apna Centre as having valuable space and facilities to meet

that need. The Centre currently supports a range of sporting and recreational activities that are capable of being expanded to provide a safe space for positive childhood experiences.

- **Other (eg Legal/Financial or Human Resources)**

The transfer will result in a loss of the annual rental income of £5500 from the existing ground lease. In disposing for a nil consideration, the Council will be foregoing a potential capital receipt of £200,000.

The Council has power to transfer the freehold reversion under the Local Government Act 1972.

- **Integrated Impact Assessment (IIA)**

A Stage 1 Integrated Impact Assessment (IIA) has been carried out and is attached at Appendix C.

4. Consultees and their opinions

Cllr Cooper (Newsome Ward Member) responded - *I am happy to agree the disposal of land to the trustees of the Apna Centre. As a Newsome Ward member, I would like to continue to support the work of the trustees in developing and implementing their Business Plan to support their good work and help ensure the long-term sustainability of the Apna Centre.*

Cllr Allison (Newsome Ward Member) responded - *I am in favour of agreeing to the disposal of land to the Trustees of the Apna Centre. As a Newsome Ward Councillor, I will continue to work with and support the Trustees in making this a viable and successful venture for all our communities. We would like to meet with the Trustees at least once a year to help progress the Business Plan.*

Cllr Lee-Richards (Newsome Ward Member) responded- *I am happy to support the transfer and look forward, as a Newsome Ward councillor, to working with the trustees to support their ideas, business plan and work with the community.*

5. Next steps and timelines

- 5.1 Subject to Cabinet approval, Officers will complete negotiations and agree terms of the transfer and collateral agreement and instruct the Service Director - Legal, Governance and Commissioning to enter into and execute the transfer and collateral agreement documentation.

6. Officer recommendations and reasons

It is recommended that:

- 6.1 Cabinet approves that the Council transfers the freehold reversion to the APNA centre to the Sikh Leisure Centre at nil consideration.

- 6.2 Authority be delegated to the Service Director - Development to negotiate and agree terms for the transfer of the freehold of the land at Prospect Street, Springwood, Huddersfield (shown indicated on Plan reference 21-0054c).
- 6.3 Authority be delegated to the Service Director - Legal, Governance and Commissioning to enter into and execute all necessary documentation in connection with the transfer of the freehold of the land at Prospect Street, Springwood, Huddersfield and any associated agreements and documents including the collateral agreement for polling station use.

7. Cabinet portfolio holder's recommendations

The cabinet member welcomes this report and fully supports the recommendations in the report.

This is an important strategically placed asset and enjoys the support of the community. As we move more and more towards place based working, it is important that we do all we can, to not only encourage place-based working, but to remove any obstacles to communities who wish to grow and further develop vital community assets.

This transfer of the leasehold to a freehold enjoys the support of the ward members, who are committed to working with the trustees of the APNA centre in developing an up-to-date business plan and then helping to implement that plan. This will ensure the future viability of the centre and will see it grow and improve its offer to the local community.

I wish the APNA centre and its trustees all the best and look forward to seeing a thriving well used community facility.

8. Contact officer

Giles Chappell (Asset Strategy Officer)
giles.chappell@kirklees.gov.uk
(01484) 221000

9. Background Papers and History of Decisions

Appendix A - Red Line boundary plan (Ref. 21-0054c)
Appendix B - IMD Ward map
Appendix C - Integrated Impact Assessment (IIA)

10. Service Director responsible

Angela Blake (Service Director - Development)
angela.blake@kirklees.gov.uk
(01484) 221000