

**Name of meeting:** Cabinet  
**Date:** 15 December 2015

**Title of report:** Clarification to Cabinet following Scrutiny Call In - 18 November 2015 - on the Community Asset Transfer of Mirfield Community Centre

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
Is it in the <a href="#">Council's Forward Plan</a> ?	No
Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	No
<b>Date signed off by <u>Director</u> &amp; name</b>	Jacqui Gedman - 07.12.15 <i>Paul Kemp for and on behalf of</i>
<b>Is it signed off by the Director of Resources?</b>	David Smith - 07.12.15
<b>Is it signed off by the Assistant Director - Legal Governance &amp; Monitoring?</b>	Julie Muscroft - 07.12.15
<b>Cabinet member <a href="#">portfolio</a></b>	<b>Resources and Community Safety - Cllr Graham Turner</b>

**Electoral [wards](#) affected:** Mirfield  
**Ward councillors consulted:** See original report (Appendix 1)

**Public or private:** Public

## 1. Purpose of report

In light of Scrutiny recommendations, Cabinet are asked to reconsider the decision to asset transfer Mirfield Community Centre, Water Royd Lane Mirfield, with a restrictive covenant restricting use to community use and to consider the feasibility and desirability of entering into an agreement/arrangement that would enable this covenant to be released on sale and for the proceeds to be used specifically for the ongoing project to develop the Gilder Hall site.

## 2. Key points

A report recommending the Asset Transfer of Mirfield Community Centre, Water Royd Lane was considered by Cabinet, 20 October 2015.  
 Cabinet decided:

- 2.1 That officers be authorised to transfer the freehold of Mirfield Community Centre, Water Royd Lane, Mirfield to the Mirfield Community Trust for no premium, subject to a restrictive covenant that will prevent the premises being used for any other purpose than community use.
- 2.2 That approval be given to the delegation of the authority of the Assistant Director for Physical Resources and Procurement and the Assistant Director of Legal Governance and Monitoring to negotiate and agree the terms of the freehold transfer that relate to the transfer of the Mirfield Community Centre to Mirfield Community Trust.

The Overview and Scrutiny Management Committee considered the notice of call in, in respect of the decision made by Cabinet on the 18 November 2015.

Scrutiny recommended that the decision is referred back to Cabinet with the following recommended amendment:-

- To consider the feasibility and desirability of entering into an agreement/arrangement, that would enable the covenant to be released on sale and for the proceeds to be used specifically for the ongoing project to develop the Gilder Hall site.

Scrutiny Committee reached its recommendations based on two findings:

- 2.3 The Cabinet report of 20 October 2015 stated that the Current Asset Advancement Policy, requires asset transfers to be approved with restrictive covenants for community use. However, this is not a requirement which is specified in the Asset Advancement Policy.

In addition, there are reasonable grounds to support the call-in, as the Committee found no evidence that principles 13.2 (a) and 13.2 (i) of the constitution were fully adhered to. There is no evidence that the flexibility of the policy was considered and that Cabinet explored all alternatives, and why those would be discounted.

Comment on 2.3: The Asset Advancement Policy sets out at the top of page 5 of the policy - "The binding agreement leading to Community Asset Transfer, will wherever appropriate, include (a) transfer return of building should the venture cease (b) the council retains the right to cease the agreement should conditions of transfer be breached and (c) appropriate covenants regarding future use of property. In the case of (a) dilapidations liability may well apply.

Legal Services have commented that: Reading the report as a whole it would seem that the policy is that (i) user covenants should be imposed where appropriate and that (ii) as a "norm" it will be generally considered appropriate for user covenants to be imposed but that (iii) there can be departures from the "norm".

- 2.4 There is no evidence to show that the decision took into account whether it was feasible and desirable to enter into an agreement/arrangement that would enable the covenant to be released on sale and for the proceeds to be used specifically for the ongoing project to develop the Gilder Hall site.

The decision options for this request for asset transfer were:

- a. Refuse the request for asset transfer, this would have maintained the status quo, the Mirfield Community Centre falling into a further state of disrepair and the Mirfield Community Trust (MCT) not having control and therefore the ability to attract grant funding e.g. Lottery funding, which is not available to the Council. However, the 2002 Cabinet decision would still stand, that in principle, agreement to the sale of Mirfield Community Centre and the transfer of Capital receipts to the MCT be approved.

The Council is facing significant budget reductions. It cannot afford to maintain all its current assets.

**Officers are of the opinion, that this should not be the recommended option on the grounds that this could lead to the closure of the building, if the Council cannot maintain it, therefore depriving the community of a valuable community facility.**

- b. Transfer with a restrictive covenant. Two options available:
- o Transfer subject to a restrictive covenant that will prevent the Mirfield Community Centre from being used for any other purpose than community use.

This would align with all proceeding asset transfer decisions and would allow the group security to draw down grant funding from sources not available to the Council e.g. Lottery Grants, however, whilst it would still allow the group to sell the property at some point in the future, the group feels that it would overturn the principle of the 2002 Cabinet decision, in that restrictive covenants would affect the value which could be obtained for the site. However, at some point in the future MCT could apply to the Council to have the covenants lifted, to maximise the value of the site to reinvest any capital receipt into the development of the Gilder Hall site. This would be a decision for the Council at that time.

**Officers are of the opinion that this should be the recommended option on the grounds that this will ensure the community will retain a community venue until such time an alternative venue is available.**

- o Transfer subject to a restrictive covenant that will prevent the Mirfield Community Centre from being used for any other purpose, other than community use but at the same time the Council and the MCT would enter into a collateral agreement

that would provide for the covenant, to be released on the sale of the Mirfield Community Centre site and for the proceeds of sale to be used specifically, for the ongoing project to develop the Gilder Hall site.

The full terms of the collateral agreement would need to be negotiated between the Council and the MCT and therefore, if Cabinet was to approve this option, then Cabinet would need to delegate to officers the authority to negotiate and agree the terms of the collateral agreement. In negotiating the terms of any collateral agreement, officers would have the opportunity to ensure that the restrictive covenant would only be released on sale, when there was a realistic prospect of a development of replacement community facilities, being realised at Gilder Hall

This option would align with the principle of the 2002 Cabinet decision and it gives the MCT the flexibility they are seeking, whilst at the same time ensuring that the Council has the necessary control, to ensure that in the event of a release of covenant, the proceeds are used in providing for alternative community facilities;

Whilst this approach has not been adopted before, it is recognised that subject to Cabinet approval, this option would fit within the current Asset Transfer Policy and it is legally feasible, but the negotiation of the Heads of Terms of this arrangement and the negotiation of the legal agreement will be time consuming and therefore expensive, when asset transfer is supposed to be relatively simple and cheap. Such an approach could also set a precedent in that it is attempting to take into account something which may or may not happen in the future.

In this respect it should be noted that the MCT has not yet been able to fully work up a viable project for the development of the Gilder Hall Site and it is far from certain that the MCT will be able to do so in the short to medium term.

**Officers are of the opinion that this should not be the recommended option because the additional costs that would be incurred in negotiating the collateral agreement cannot be justified when it is far from certain that the MCT will be able to fully work up a viable project for the Gilder Hall Site in the short to medium term**

- c. Transfer the Mirfield Community Centre without restrictive covenants in place. Whilst this approach has not been adopted before, it is recognised that subject to Cabinet approval, this option would fit within the current Asset Transfer Policy. However, there is significant risk that either the future use of the Mirfield Community Centre site as a community venue could be lost, or the site could be disposed of with no benefit to the local community.

**Officers are of the opinion that this should not be the recommended option on the grounds that the future use of a community venue could be lost to the local community.**

## **Costs**

The cost information remains the same as in the original report as set out in the Appendix 1.

## **3. Implications for the Council**

Implications for the Council are clearly identified in the original Cabinet report dated 20 October 2015 and this is attached at Appendix 1.

## **4. Consultees and their Opinions**

The original consultees and their opinions are included in the original report.

This current report to Cabinet on the 15 December 2015, has also had regard to the outcome from the Overview and Scrutiny Committee on 18 November 2015.

## **5. Next Steps**

This report is submitted to Cabinet for decision on the options as identified above.

## **6. Officer recommendations and reasons**

After reviewing the Scrutiny investigation, officers consider the original recommendations to be the most appropriate option and to authorise officers to transfer the freehold of Mirfield Community Centre, Water Royd Lane to Mirfield Community Trust for no premium/nil consideration, subject to a restrictive covenant that will prevent the premises from being used for any other purpose than community use.

## **7. Cabinet portfolio holder recommendation**

The Portfolio Holder, Councillor Graham Turner, recommends the freehold transfer of Mirfield Community Centre to Mirfield Community Trust for no premium/nil consideration subject to a restrictive covenant for community use.

## **8. Contact officer and relevant papers**

Mark Gregory, Head of Corporate Landlord  
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(01484) 221000

Jonathan Quarmby, Corporate Facilities Manager  
[jonathan.quarmby@kirklees.gov.uk](mailto:jonathan.quarmby@kirklees.gov.uk)  
(01484) 221000

## **9. Assistant Director responsible**

Joanne Bartholomew, AD - Place

## **10. Appendices**

Appendix 1 - Cabinet Report, 20th October 2015  
Cabinet Report 2002 as supplementary information

**Name and date of meeting: Cabinet 20 October 2015**

**Title of report: Mirfield Community Centre – Asset Transfer proposal and review of 2002 Cabinet decision regarding capital receipt.**

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
Is it in the <a href="#">Council's Forward Plan</a> ?	Yes
Is it eligible for "call in" by <a href="#">Scrutiny</a> ?	Yes
Date signed off by <u>Director</u> & name	Jacqui Gedman – 12 October 2015
Is it signed off by the Director of Resources?	David Smith – 9 October 2015 Julie Muscroft – 9 October 2015
Is it signed off by the Acting Assistant Director – Legal, Governance & Monitoring?	
Cabinet member <a href="#">portfolio</a>	Cllr G Turner (Resources)

**Electoral [wards](#) affected: Mirfield**

**Ward councillors consulted: Cllr Vivien Lees-Hamilton, Cllr Martyn Bolt & Cllr Kath Taylor**

**Public or private: Public**

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**1. Purpose of report.**

- 1.1 This report sets out the proposal to transfer the land and buildings which currently make up Mirfield Community Centre, Waterroyd Lane, Mirfield to The Mirfield Community Trust (MCT).
- 1.2 In considering 1.1 this report asks Members to consider the Cabinet Decision from 2002 relating to any capital receipt generated from the disposal of Mirfield Community Centre. (A copy of this report is attached at appendix A.)

## 2. Key Points

### Background

- 2.1 The Mirfield Community Trust (MCT) are the trustees for the Gilder Hall site and the group intends to build a new Community facility on this site in the future. A report went to cabinet on the 2nd October 2002 (appendix A) approving the creation of MCT. The decision was as follows:
- (1) That the Council, acting as Trustees for the Gilder Hall Site, approve the establishment of a new Trust for Gilder Hall based upon the Mirfield Working Group.
  - (2) That any financial assets that have been accrued to the existing Trust be transferred to the new Trust including insurance monies.
  - (3) That in principle, agreement to the sale of Mirfield Community Centre and the transfer of Capital receipts to the new Trust be approved.

**NB Legal opinion on this is that a cabinet report is only to give permission to enter into an agreement. - An agreement was not entered into.**

- 2.2 MCT applied for a lottery grant to build a new community centre on the Gilder Hall site. The trust intended to use the grant alongside a capital receipt.
- 2.3 The group were unsuccessful in their lottery bid so commenced fund raising to meet the capital target required for the new build, the committee consider that they are still entitled to the capital receipt from the sale of Mirfield Community Centre.
- 2.4 The Mirfield Community Trust have applied for asset transfer of the Mirfield Community Centre, Waterroyd Lane. If the Council transfers the freehold of the site to MCT then any future sale and capital receipt from the sale would automatically accrue to MCT. The Council's asset transfer policy requires covenants to be applied to ensure transferred buildings are available for community use (see Asset transfer section).

### Mirfield Community Centre - Current Arrangements

- 2.5 The Council has a Management Agreement in place with Mirfield Community Centre Management Committee (MCCMC) for the running of the Mirfield Community Centre. The Council receives no income from the MCCMC or the users of the facility.
- 2.6 The Management Agreement was signed in 1996 and has an arbitrary split of revenue responsibilities, with the council supporting the majority of the management costs (including caretaking and cleaning) and being responsible for "major" items such as: roof, walls, boilers and heating distribution.
- 2.7 There is a clause for termination of the agreement, for both parties, with 3 months' notice.
- 2.8 The building is a well-used community centre with over 26 groups using the centre and the MCCMC employ a part time member of staff to manage the centre. The Council recognises the benefit of these groups in sustaining the economic, health and wellbeing of the local community.



- 2.9 Discussions with MCCMC about the replacement of the existing Management Agreement and replacement with a Full Repair and Insure Lease and cessation of the financial support towards the Community Centre have been ongoing since 2012, but to date the group have not taken a lease.
- 2.10 An audit of other local community space before the summer indicated that there was sufficient capacity within existing community venues to support the groups in alternative arrangements and that relocation of the users of Mirfield Community Centre would support the economic viability of other community facilities.

### **Asset Transfer**

- 2.11 The Quirk Review (Community Management and Ownership of Public Assets) of 2007 brought about a fundamental change in the way that Local Authorities viewed ownership of property within their areas. The Empowering Communities White Paper of 2008, "Communities in Control – Real People / Real Power", further cements the government's commitment to double devolution - taking power from Whitehall through Local Authorities and directly to communities.

Community Asset Transfer involves transferring the ownership of land or buildings from a statutory body to a community organisation at 'less than best consideration' – that is, at less than its full market value – in order to further local social, economic and/or environmental objectives.

- 2.12 The Council's Asset Advancement Policy was developed in response to the Quirk review and subsequent localism agenda, and approved by Cabinet 8 October 2013. The policy allows for assets to be transferred either through long term leases or freehold transfer, but with covenants which restrict use to community use.
- 2.13 The proposed asset transfer route, subject to Cabinet approval, is to transfer the Mirfield Community Centre on a freehold basis, covenanted to community use, to Mirfield Community Trust.

### **Costs**

- 2.14 The centre is in a generally dilapidated state of repair. The condition survey identifies significant fabric, mechanical and electrical issues. The roof and boiler issues alone are estimated at £254k and it is estimated that over £112k investment will be required in the next few years to address electrical service issues, walls, floors, ceilings and windows.
- 2.15 Following the failure of the boiler in 2014, temporary electrical heating was supplied by the Council, however this was a short term solution. During spring/summer 2015 the prospect of closure of the building was raised if the boiler was not replaced, the asset transfer didn't take place and the condition of the building became a risk to its continued use. MCCMC looked to replace the boiler whilst MCT brought forward it's asset transfer application.
- 2.16 During September 2015 MCCMC have replaced the boiler but not the heating distribution. The Council has paid for the safe removal of the asbestos to facilitate the boiler replacement.

2.17 The annual revenue cost to the Council under the existing management agreement is £21,000.

### 2.18 **Unrestricted Value**

The unrestricted value is the best price reasonably obtainable for the property and should be expressed in capital terms. It is the market value of the land as currently defined by the RICS Red Book (Practice Statement 3.2), except that it should take into account any additional amount which is or might reasonably be expected to be available from a purchaser with a special interest (a "special purchaser"). When assessing unrestricted value, the valuer must ignore the reduction in value caused by any voluntary condition imposed by the authority. In other words, unrestricted value is the amount that would be paid for the property if the voluntary condition were not imposed (or it is the value of the property subject to a lease without the restriction).

**The unrestricted value of Mirfield Community Centre is: £125,000**

#### **Restricted Value**

The restricted value is the market value of the property having regard to the terms of the proposed transaction. It is defined in the same way as unrestricted value except that it should take into account the effect on value of any voluntary condition(s).

**The restricted value of Mirfield Community Centre is: £ nil**

#### **Voluntary Conditions**

A voluntary condition is any term or condition of the proposed transaction which the authority chooses to impose. It does not include any term or condition which the authority is obliged to impose, (for example, as a matter of statute), or which runs with the land. Nor does it include any term or condition relating to a matter which is a discretionary rather than a statutory duty of the authority.

**The value of voluntary conditions in the proposed transaction is: £ nil**

#### **Amount of discount given by the Council**

The difference between the unrestricted value of the land to be disposed of and the consideration accepted (the restricted value plus value of any voluntary conditions).

**The amount of discount in the proposed transaction is: £125,000**

*In respect of Local Government Act 1972 general disposal consents (England 2003) disposing of land for less than best consideration that can be reasonably obtained the transaction does not require the Council to seek specific consent from the Secretary of State as the difference between unrestricted value of land to be disposed of and the consideration accepted is £2,000,000 or less.*

### **3. Implications for the Council**

- 3.1 The disposal of the centre will ultimately result in savings of £21K p.a. in revenue running costs and the removal of a future capital liability of more than £366k.
- 3.2 The Local Government Act 1972 General Disposal Consent means that specific consent is not required for the disposal of any interest in land at less than best consideration which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area.

3.3 The transfer of Mirfield Community Centre will support the community and recognises the benefit of these groups in sustaining the economic, health and wellbeing of the local community.

#### **4. Consultees and Their Opinions**

- 4.1 Following numerous meetings and discussions a final discussion with MCT and Ward Councillors was held on the 23<sup>rd</sup> September 2015. The group and Ward Councillor present entered into a healthy discussion about the proposed asset transfer and their views were expressed below.
- 4.2 The MCT and MCCMC have been informed and consulted about the proposals. Both groups have asked that the spirit of the 2002 commitment to transfer any capital receipt from the future sale of the Mirfield Community Centre be able to be used for the development of the Gilder Hall site as a community venue be honoured and they would request the freehold asset transfer to take place without restrictive covenants.
- 4.3 It is recognised that transferring the freehold of Mirfield Community Centre to MCT complies with the spirit of the 2002 decision as any future receipt from the sale of the building would benefit the MCT, however the covenants would still be in place so the value would be restricted by this, but the future of the Community Centre as a building for community use would be assured.
- 4.4 At some point in the future MCT could apply to the Council to have the covenants lifted to maximise the value of the site to reinvest any capital receipt into the development of the Gilder Hall site. This would be a decision for the Council at that time.
- 4.5 Should the asset transfer be approved, the MCCMC will dissolve and the MCT (many of the volunteers are part of both groups) will take on day to day responsibility for the building and site.
- 4.6 MCTs have sought their own independent legal advice and it differs from the note to paragraph 2.1 above in that their lawyer is of the opinion that an Agreement was entered into as part of the agreement in 2.1 (1) above between the Council, MCT and the Charity Commission of England & Wales.
- 4.7 It is the view of MCT that the audit at 2.10 was incomplete and their own more recent research indicates insufficient capacity within the local community for users of the existing community centre to relocate to.
- 4.8 Cllr Kath Taylor supports the freehold transfer of the community centre to MCT and would request this be without covenants in place.

**NB. Current Asset Transfer policy requires transfers to be approved with restrictive covenants for community use to protect the future use of the building for the benefit of the community.**

## **5. Officer Recommendation and Reasons.**

Members are requested to consider this report and:

- 5.1 Authorise officers to transfer the freehold of Mirfield Community Centre, Waterroyd Lane to Mirfield Community Trust for no premium subject to a restrictive covenant that will prevent the premises from being used for any other purpose than community use.
- 5.2 To note the Assistant Director of Physical Resources and Procurement and Assistant Director Legal Governance & Monitoring have delegated authority to negotiate and agree the terms of the freehold transfer that relate to the transfer of the Mirfield Community Centre to Mirfield Community Trust.

## **6. Cabinet Portfolio Holders Recommendation.**

- 6.1 The Portfolio Holder recommends the freehold transfer of Mirfield Community Centre to Mirfield Community Trust for no premium/nil consideration subject to a restrictive covenant for community use.

## **7. Next Steps.**

- 7.1 Note the decision following the review of the 2002 Cabinet decision.
- 7.2 Asset Transfer the centre on a freehold basis with covenants restricting its use to community use only.

## **8. Contact Officer and Relevant Papers.**

Mark Gregory, Head of Corporate Landlord  
Jonathan Quarmby, Corporate Facilities Manager

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[jonathan.quarmby@kirklees.gov.uk](mailto:jonathan.quarmby@kirklees.gov.uk)

## **9. Assistant Director Responsible.**

Joanne Bartholomew - Assistant Director, Physical Resources & Procurement

## **10. Attachments**

Appendix A- Cabinet report dated 2 October 2002

<b>DRAFT</b>
<b>REPORT TO / DATE / STATUS OF THE REPORT</b>
Cabinet
2 October 2002
Public
<b>AREA COMMITTEES / WARDS AFFECTED</b>
Mirfield. Dewbury West, Dewsbury Area Committee, Mirfield Area Committee
<b>TITLE</b>
Gilder Hall Trust
<b>WHY IS IT COMING HERE? / WHAT DECISION IS REQUIRED?</b>
The Council currently hold the trusteeship for the Gilder Hall site at Greenside Road Mirfield. A decision is required on a proposal by a consortium of local groups to set up a new trust and develop the site for the benefit of local people.
<b>IS THIS AN URGENT ACTION APPROVED BY THE CHAIR OF SCRUTINY?</b>
No
<b>WHAT ARE THE KEY POINTS?</b>
The site comprises a recreation ground with a football pitch and a derelict building which has been subject to vandalism since a fire in 1994 (see appendix 1).
Under the terms of the current trust, there is a requirement that a facility similar to the provided prior to the fire, be reinstated.
Current total resources for the trust are in the region of 30K in respect of insurance monies following the fire, which would not be sufficient to restore the facility to its previous usage.
There has been expressions of concern from people locally on the perceived inaction by the Council in resolving the future of the site. In addition, the Charities Commissioners, (the body which oversees the running of trusts) also wishes to see the matter resolved, as there is a likelihood that the trust will be deemed to have failed.
The Council has been working closely with two local voluntary organisations,



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Gearstones Trust and Mirfield Community Centre, who have formed a consortium, the Mirfield Working Group. This group has, following a consultation exercise with local people developed proposals for a new trust and a proposal for a new community/sports facility of Gilder Hall. Their proposal also envisages the rationalisation of another Council owned facility, Mirfield Community Centre, which if agreed, would be sold and capital receipts used toward the building of a new facility.

Both organisations have an excellent record in attracting funding and managing community facilities and represent the most feasible mechanism for provision of facilities at Gilder Hall.

All elected members are in effect trustees, therefore, full Council approval will be required on major decisions involving the closing or transfer of trusteeship.

The trusteeship places specific responsibility on the Council, in that it must be able to demonstrate that in reaching a decision on the future of Gilder Hall it acted in the best interest of the Trust and that all other considerations must be set aside.

**RECOMMENDATIONS**

The following:-

- 1 The setting up of a new trust for Gilder Hall based upon the Mirfield Working Group.
- 2 The transfer of any financial assets that have accrued to the existing trust, to the new trust including insurance monies.
- 3 An in-principle agreement to the sale of Mirfield Community Centre and transfer of capital receipts to the new trust.

**BACKGROUND**

This report brings to members attention the issues surrounding Gilder Hall and the need to reach a decision on the best way forward. Kirklees Council are the trustees for Gilder Hall and are responsible for decisions on its future. The Gilder Hall Youth Club Foundation was established in the will of a Mirfield women, Annie Robinson, who left it to for young people living in the Mirfield are, aged up to 25 years.

“The object of the foundation shall be to help and educate persons who have not reached the age of 25 years through their leisure-time activities, so to develop their physical mental and spiritual capacities that they may grow to full maturity as individuals and members of society and that their conditions of life may be improved, and for that purpose to establish and maintain a Youth Club or Youth Clubs in the Urban District of Mirfield.”

The Gilder Hall site comprising three acres, containing a football field and a now derelict building, is situated at the junction of Pumphouse Lane and Greenside Road Mirfield, the building was last used as a youth club in 1995, until closed by fire damage. It has been subject to increasing vandalism recently, which led to a decision to demolish a small extension to the main building last year, on health and safety grounds. There are insufficient funds in the trust to return the building to a useable state. Maps of both sites are appended.

There has at various times been strong expressions of local concern about perceived inaction by the Council by both individuals and “organisations” in Mirfield regarding Gilder Hall, and actions need to be taken in the near future.

In seeking a way forward KMC officers met with the Charities Commissioners to discuss what would be acceptable in relation to Gilder Hall. Their advice was that site disposal, site development and transfer of trusteeship, were all acceptable providing it could be demonstrated that the trustees had acted in the best interest of the Trust. This is a crucial point for the Council. **Other interests must be set aside in decisions on Gilder Hall.**

The situation is further complicated by the land being allocated for residential development on the approved UDP, however, because of recent planning guidance, PPG3 from Central Government, it may not be possible to develop the site for a number of years. The site also holds the key through access potential to land owned by Bellway Homes. Bellway made an offer of £900,000 for the Gilder Hall site in 1999, subject to planning permission. There is likely to be local objections to the disposal of the land for residential purposes, even if permission was granted.

**MIRFIELD WORKING GROUP**

Comprises the management committee of Mirfield Community Centre which is based in the old knowle School building on Waterroyd Lane (see appendix 2) the building is owned by the Council and administered through an agreement



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between Community Support Services (CSS) and the management committee. CSS provide some funding towards the running costs of the building which could be made available through grant aid towards the revenue needs of the new centre.

The other partner in the working group is the Gearstones Trust, who are a Mirfield based trust who run an outdoor centre in North Yorkshire at Ribble Head near Settle.

The proposition of rationalising facilities in closing one building that has reached its limits and refocusing resources on a new purpose-built site which is also currently under used, is a potentially attractive one. As, is vesting control of a local facility to local people.

Both organisations have an excellent track record in attracting local volunteers, managing and developing facilities and attracting funding from a wide variety of resources. They also both have local credibility as key players in the local voluntary scene. There is a range of funding opportunities which could be accessed by the group which are not open to the Council.

### **THE ORIGINAL PROPOSALS**

Following consultation through an extensive survey with the local community a proposal for a sports/community centre was developed and an outline business plan was considered by Admin and Business Core Team in April 2002. The report was welcomed by the chair of the core team who subject to assurances about aspects of the business plan was prepared to take a report to Cabinet for decision making.

### **APPRAISAL OF THE ORIGINAL PROPOSAL**

In order to gain an objective assessment of the proposal an independent consultant was commissioned by CSS, to appraise the proposal funding package, reports were also commissioned from planning on the implications of the type of building proposed on the site. A report was also commissioned from the Project Team in Estates & Properties to ascertain the viability of the use of a modular building.

The appraisal process did raise questions about the viability of the proposed funding package and the merits of using a modular building which can only be fully determined by further feasibility over the next 12 months. Mirfield Working Group have taken on board the questions raised by the appraisal process and been prepared to adjust their proposals accordingly.

### **THE NEED FOR DECISION MAKING**

This note has outlined some of the reasons why it is important that a decision is made on Gilder Hall as soon as possible. In additions to these, considerations must be given to the Mirfield Working Party and their need to know whether or not to commit more time to the development of Gilder Hall or

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refocus on their own individual projects.

Developing capital projects is, as members appreciate a complex and time consuming process, which can take in some cases several years from concept to completion. The working group have committed a tremendous amount of volunteers time into the Gilder Hall proposal over the last 12 months and have demonstrated a willingness to listen and be flexible in their approach, as a result of this the Mirfield Group and Mirfield Working Group have revised their original proposal in the light of the appraisal, assumptions.

### THE NEW PROPOSAL

Whilst retaining their original aspirations for a major sports/community facility the Mirfield Working Group have submitted a revised proposal. This is based on an initial phase costing in the region of 750k which is substantially less than the both original proposals and the suggested costings by consultants for such a facility.

The funding package for this is dependent on funding as follows:-

- \* 250k from the Community Fund
- \* 350k from the sale of Mirfield Community Centre
- \* 150k from local trusts and fundraising

Initial soundings suggest this funding package is achievable, however, the Council would have to make a decision on any capital receipts from such a sale being utilised for a new building at Gilder Hall therefore the group are looking for some commitment from the Council as soon as possible, if they are to stay engaged in the process. A proposal for the earmarking of capital receipts would have to be considered in the first instance by Cabinet Finance Sub Group.

The new proposal also envisages the new trust have a strategic role in the development of sport and sporting facilities in the Mirfield area.

### CONSIDERATIONS FOR THE COUNCIL

In acting in the best interest of the trust, the Council need to consider the following: is it in the best interest of the trust to agree to the setting up of a new trust based on the Mirfield Working Group. So far there appears to be no major barriers to the setting up of a new trust in ongoing discussions with the Charities Commission.

The group, as stated have put a considerable amount of time into developing proposals and now require some financial commitment to finalise these over the next 12 months. If the Council are willing to consider funding this one possible source would be the monies available from insurance resulting from the fire. There is currently 32k available from this source but only if the Council use it to reinstate the building. If it was to be to support a new development by a different organisation the amount available would be

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reduced to 20k. Discussions with the Council's Insurance Manager suggest this money could be made available for such a purpose.

During the next 12 months the range of assumptions could be tested out and serious funding bids assembled.

The Mirfield Working Group are confident that they can construct a viable building on the site. While the next 12 months require an element of trust in the group, it remains the most likely option for securing a facility in line with the objectives of the original trust.

The original building was constructed at a time when car parking was not as serious a consideration as it is now.

There is little likelihood of Council funding being available for the reinstatement of a viable building on the Gilder Hall site. Other than through the process outlined above involving the sale of Mirfield Community Centre and the capital receipts being used for a new venture.

### **RESOURCE IMPLICATIONS**

Mirfield Working Group are seeking in addition to the transferring of trusteeship to them, the following:

The capital receipts from the sale of Mirfield Community Centre. (The group have had a valuation of 350K on the property indications from Estates and Property suggest that this is not an unreasonable figure).

They have also requested financial help to recruit a project manager to help them develop the proposals and are seeking in the region of 30K for a 12 month period.

As stated earlier in the report, there is 20K available in the form of insurance monies. In addition Community Support Services are prepared to offer "in kind" support in the form of business planning and bid preparation over this period.

A viable facility will require adequate car parking area and to achieve this it is likely that this will infringe on land which is currently allocated for housing under the current UDP. Members can agree to approve a planning application which departs from Council Policy if there is a good reason to do so.

The group are also seeking that monies currently spent on the running costs of Mirfield Community Centre by Community Support Services, are transferred to support the revenue costs of the new building for an agreed time period. This could be achieved through grant-aid and a funding agreement.

## Summary Template 1

The Alternatives

To do nothing?

Clearly this would not be acceptable either locally or with the Charities Commissioners.

To set up another trust with redefined objectives?

This could involve a more limited use of the site purely as a recreational ground without a building. Mirfield Working Group would not be willing to be part of such a proposal, and it would involve recognising that the original trust would have seen to have failed.

Selling part or all of the land and using the capital receipts to set up an endowment for activities for young people elsewhere in Mirfield?

This is likely to be unpopular locally.

There can be no certainty about the Mirfield Working Group proposals, developing viable capital projects is always problematic. However, there are a number of key elements to the securing of a successful project already in place, these include:

A need

The area has lost the Marmaville Hotel, which provided meeting space for a host of community groups. In addition whilst Mirfield Community Centre, is extremely well used, its design and limited scope for expansion restricts further development and enhancement of that site.

Local Support

The community survey indicated that the proposals for Gilder Hall, have the support of local people.

Rationale for the Project

Its based on a partnership between local organisations with a strong track record in managing facilities as well as rationalising community facilities in the area.

Funding Potential

There are currently a number of time limited external funding opportunities for capital projects for community led initiatives in Kirklees.

Summary Template 1

**CONSULTEES**

Legal Services and the ward members of Dewsbury West & Mirfield.

**CONTACT OFFICER AND RELEVANT PAPERS**

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Previous reports to Administration and Business Core Teams

