Calderdale MBC

Wards Affected **Park**

Cabinet **12 December, 2022**

QUEENS ROAD NEIGHBOURHOOD CENTRE

Report of Director, Regeneration and Strategy

1. Purpose of Report

1.1. The purpose of this report is to set out a headline property appraisal of Queens Road Neighbourhood Centre (QRNC), to inform a potential way forward for the site.

2. Need for a decision

2.1 The recommended way forward seeks to invite an initial business case for a community asset transfer (CAT) within the next three months, i.e. by 31 March 2023, after which a Cabinet decision will be required about the overall way forward.

3. Recommendations

It is recommended that:

3.1 Halifax Opportunities Trust (HOT) is given until 31 March 2023 to provide an initial business case for a CAT, consistent with the procedure for recent CATs; and

3.2 if no business case is forthcoming or the business case is not deemed appropriate, then the council's disposals process should be followed with the aim of marketing QRNC for sale.

4. Background and/or details

4.1 Located in the heart of Park Ward on Queens Road, Halifax, QRNC is a grade II listed former school building. The building has had various past uses. Most recently, its primary use as a youth centre ceased following the Youth Services Review and Cabinet decision in June 2020.

4.2 The youth provision for the locality is now being delivered as part of the agreed commissioning model with sessions delivered by HIMMAT at their Raven Street building. Similarly, this is a venue, amongst others across the locality, that is being used to facilitate sessional hires that were displaced as part of closing QRNC during the Covid-19 pandemic.

4.3 As an interim arrangement, the council's Central Neighbourhoods Team is working from the site within a small area of the building, which has been kept open and managed as operational. However, all other users either ceased at the same time as Youth Services, or alternative venues have been identified – such as the youth provision now delivered by HIMMAT.

4.4 In addition to the primary use as a youth centre, secondary and sessional uses have included but have not been limited to:

4.4.1 locality office space and welfare facilities for council services;
4.4.2 Sports Services – locality health and fitness provision;
4.4.3 storage for council services; and
4.4.4 sessional use – ward councillor surgeries, polling station, community uses.

4.5 Secondary and sessional users of any building require a substantial primary user to be in place to manage how space is used on a day-to-day basis, and to have responsibility for fire risk, organising hires etc. This is particularly important for QRNC owing to its size and many different spaces.

4.6 The building is currently used as a polling station at election time. Alternative locations in the area are currently being explored, just in case the building is unavailable for any reason. Should the building be used as a polling station, in lieu of a primary service in occupation of the building and to manage identified building risks, additional capacity would be required to comply with fire and health and safety requirements.

4.7 The 2019 title check identifies that the council owns the freehold of the property and that no restrictive covenants have been found. However, with the site being a former school, Secretary of State Consent may be required if considering alternative uses or disposal. This is discussed further within the Legal Implications of this report.

4.8 The building running costs (utilities, rates, cyclical and reactive maintenance, FM support, insurance etc.) for the last 5 years are provided in Table 1 below:

Table 1 – Building Running Costs

2017/18	2018/19	2019/20	2020/21	2021/22
£78,246	£87,141	£67,930	£51,464	£50,283

4.9 Appendix A provides a headline overview of council assets and possible wider opportunities across the locality.

5. Issues and dependencies

5.1 The site has been a significant facility for the local community, providing a neutral venue for various secondary users, sessional hires and community events. Being central to the locality it also provides accommodation for council services such as the Central Neighbourhoods Team and for delivering targeted intervention work from. However, with no major primary user for the building currently identified there is no full-time presence to manage or facilitate such users and events. Appendix B includes photographs that have been referenced within this section.

5.2 Although the Centre has partially re-opened to provide a base within the locality for the Central Neighbourhoods Team, wider use of the building remains restricted. The south hall which was anticipated to be used for some community engagement has had to be taken out of use. The textured coating to the walls and ceiling was identified as containing asbestos and had been disturbed due to water penetration *(Photo P1)*. Specialist advice was taken, and the asbestos has now been removed at a cost of £20,000. However, the hall requires significant re-plastering, full re-decoration and fire safety works for it to be brought back into use. This would not be recommended until the broader condition issues with the building, including the remediation of water leaks from the roof in this area, have been resolved. The room is not safe for use until emergency lighting and fire alarm works are carried out. Moreover, the condition of the room is such that it is not fit for use. See photo P4.

5.3 The current interim use of the site by the Central Neighbourhoods Team has a limited life. Should the team be required to vacate either due to the further deterioration of the building, or to allow the commencement of major works, then alternative accommodation would be required for them. To account for office needs, space is already allocated to the team within the council's office space at Princess Buildings. For the team's locality-specific delivery needs, space at King Cross Library is available for booking. For larger sessional needs alternative facilities such as Raven Street (HIMMAT) or Elsie Whiteley (Halifax Opportunities Trust) could be considered.

5.4 Should the building be fully vacated and cleared, either due to further deterioration, or in preparation for undertaking major work, a whole-site approach should be taken

to decommission and secure the site, with suitable vacant property management put in place. Holding the site as vacant should be seen as a time-limited last resort and part of a plan for the future of the site, with respect to risk management and ongoing cost / resource implications.

5.5 The building and wider site are in a poor and deteriorating condition. The building is partially occupied with ongoing identified risks being closely managed. Any work to prolong or expand use would require further risk mitigation in accordance with building control and health and safety advice:

5.5.1 **Security** – issues around anti-social behaviour, including intimidation and staff security have been formally reported previously. Required work was undertaken to improve the position at the time. However, a fuller security and access strategy would need to be put in place to support forward use of the site and to ensure appropriate measures were in place to protect staff and building users. *Photo P2* shows a number of boarded up windows that have been smashed, a persistent ongoing issue.

5.5.2 **Building fabric condition** – significant repair work is required to bring the main building fabric elements (roof, walls, windows, doors etc.) up to a good standard of repair and to safeguard the building from any further deterioration. This would also have a consequent impact internally, prompting further repair and refurbishment work required to make the building fit for a primary user. *Photo P3* shows one of the many areas of water damage, due to roof leaks.

5.5.3 **Fire Safety** – issues are currently present that severely restrict the capacity and use of the building. These include inadequate fire stopping between the basement and ground floors and inadequate fire doors and fire protected escape routes throughout. This would need to be specifically designed and addressed as part of identifying a primary user and identifying the further work that would be required internally to make the building fit for such a use.

5.6 The anti-social behaviour issues around the site contribute to the deterioration of the building, incurring additional reactive maintenance costs (boarding up / replacing broken windows etc).

5.7 A maintenance management survey was undertaken in 2021. It identified that overall, the building is in poor condition and, at that time, to bring the building to a good level of repair would require circa £1.2m. This figure has recently been updated, given cost increases in the intervening period, and the revised estimate is circa £1.6m. The budget does not include any upgrades in respect of zero carbon, except lighting. This budget estimate includes a level of risk, contingency, and fees. Repairs identified include but are not limited to:

5.7.1 asbestos removal;
5.7.2 fire detection / management;
5.7.3 external envelope – roof, walls, windows / doors; and
5.7.4 sanitary facilities.

5.8 However, an additional significant budget would be required to support the reconfiguration, improvement, refurbishment or fit-out to accommodate any forward primary user.

5.9 In addition, the building is grade II listed. This doesn't prevent reconfiguration, but any proposal for reconfiguration would need to consider the conservation aspects and have listed building consent.

6. Interfaces and opportunities

6.1 £1.2m of capital expenditure funded by prudential borrowing has been incorporated into the council's overall Capital Programme. The revenue cost attached to the borrowing is £78k per annum to address the building condition issues identified. Given the recently updated costs, there is now a funding gap of circa £400k. In addition, without a primary user identified, the amount of further funding required (and how it would be financed) to make the building fit for such a user cannot be identified or considered.

6.2 Initial conversations have taken place locally to identify potential interest for a community asset transfer (CAT) and whether any third-party primary user can be found. Halifax Opportunities Trust (HOT) has expressed potential interest in a CAT and a written expression of interest in a CAT was received on 4 October 2022 (see Appendix C). A CAT could present an opportunity to identify alternative funding streams that the council is unable to access. It would also be important to consider the lessons learned from larger scale asset transfers, such as Todmorden Learning Centre, Hebden Bridge Town Hall and Centre at Threeways.

6.3 There are a number of council service and strategic partner reviews currently under way that could either present an opportunity for the site, or could accommodate users away from the site, such as:

6.3.1 Adult Health and Wellbeing – Day Care and Resources Centre Review
6.3.2 Calderdale Cares – Wellbeing Hubs
6.3.3 Children's Centres Review and Family Hubs Transformation
6.3.4 Depots Review – Battinson Road Depot
6.3.5 NHS Community Diagnostic Centres – satellite provision
6.3.6 Community Dental Practice – Locala

7. Options considered

7.1 Base Case / Current Interim Position (do nothing)

7.1.1 The decision to cease the primary use as a youth centre was made at the June 2020 Cabinet meeting following the review of Youth Services.

7.1.2 The property is currently in partial use, in a deteriorating state and in need of significant investment to make it safe and fit for a defined use.

7.1.3 The Central Neighbourhoods Team is based in a small area within the building. Due to the further deterioration of the site, this occupancy may be limited.

7.1.4 This position cannot continue and is not a viable option.

7.2 Option 1 – Community Asset Transfer (CAT)

7.2.1 A CAT has the same issue as outlined in option 3 below: substantial capital funding is required to bring the building into a good condition and to refurbish it internally to make it suitable for specific uses.

7.2.2 Significant funding would need to be identified and obtained by any community organisation to make the CAT successful. However, as indicated, alternative sources of funding are available to community organisations that are not available to the council.

7.2.3 The CAT process takes approximately 18 – 24 months to complete. The building would continue to deteriorate during that time and may require interim investment.

7.3 Option 2 - Disposal

7.3.1 The title check has determined that the council is able to dispose of the site, albeit Secretary of State approval may be required.

7.3.2 The property's condition, location, and listed status will all have an impact on the actual value that could be received through disposal. No work has been carried out to look at potential alternative uses or values.

7.3.3 A disposal, in whatever form, may need to be seen more as a reduction in future cost and liability for the council rather than an income opportunity.

7.4 Option 3 – Retain, refurbish and re-purpose

7.4.1 The updated cost estimate of £1.6m is only sufficient to bring the building into a good standard of repair. Without a primary user identified, it is not possible to identify the scope of work and budget required for any reconfiguration, refurbishment or fit-out to make the building fit for that particular purpose.

7.4.2 There is a funding deficit of circa £400k between the funding approved and the revised cost estimate.

7.4.3 It would be strongly advised that only minimal work should be undertaken to prevent further deterioration of the building until a new and sustainable primary user was identified and a feasible business case formally approved.

8. Financial implications

Capital

8.1 The Council agreed in February 2022 to incorporate £2.588m into the council's Capital Programme to deliver health and safety improvements within the corporate estate, funded by prudential borrowing.

8.2 The revenue budget for the CAFM Service includes the revenue funding of £169k required to meet the overall cost attached to the prudential borrowing.

8.3 The report considered by Cabinet in January 2022, and approved by Council, included the sum of £1.2m to deliver the anticipated improvements to Queens Road Neighbourhood Centre. As detailed in paragraph 6.1 of the report, the most recent cost update forecasts that the overall cost would be £1.6m.

8.4 The recommendations contained in the report allow for the HOT to provide an initial business case for a CAT, consistent with the procedure for recent CATs, or the disposal of the site.

8.5 Approval of a CAT on the basis detailed in the report has the potential to allow up to £1.2m in capital funding to be made available to deliver further health and safety improvements within the corporate estate, to address pressures elsewhere in the existing programme or to deliver a reduction in the council's overall Capital Programme.

8.6 Although an external valuation has not been completed in relation to the building, the capital receipt from the sale of the building may not be significant.

8.7 In view of the pressure on the council's capital and revenue budgets, consideration would need to be given to a reduction in the overall Capital Programme or the sale of the property on the basis detailed in the report.

Potential revenue savings

8.8 Based on the existing capital budget of £1.2m, approval of a CAT has the potential to reduce the cost of prudential borrowing and achieve a revenue saving of up to £78k per annum for the 20-year duration of the borrowing period. As detailed in paragraph 4.8 of the report, there is also potential to reduce building costs attached to the building and achieve a further revenue saving in the region of £50k per annum.

8.9 Revenue savings achieved by the approval of a CAT or disposal of the building would contribute towards the overall target of £4m contained within the CAFM Service revenue budget in 2023/24 and future years.

8.10 Should the condition of the site deteriorate further, the council may be required to undertake work to make it safe, which could have a negative impact on the revenue costs attached to the building and any sale price.

9. Legal Implications

9.1 The council is the registered proprietor of the freehold of the land at Queens Road Neighbourhood Centre (QRNC), which is registered at the Land Registry under Title Number WYK879201 with Title Absolute.

9.2 There are no express user covenants affecting QRNC.

9.3 Legal Services has checked the title information relating to the property and it appears that it is held under the Education Act 1996 and the Local Government Act 1972.

9.4 There are specific legislative restrictions on the disposal of land (including disposals by way of community asset transfers) held by local authorities under the Education Acts and originally acquired for school provision. Whether or not Secretary of State Consent is required for the disposal will largely depend on when QRNC was last used as 'school land' within the meaning of the Academies Act 2010. As the property has not been used for the purposes of a school or 16 to 19 Academy within the last 8 years, then any disposal will be undertaken under the general powers of section 123 of the Local Government Act 1972.

9.4 The council has the power under Section 123 of the Local Government Act 1972 to dispose of land (including disposals by way of community asset transfers) at less than best consideration, without the requirement for approval from the Secretary of

State, if the undervalue does not exceed £2 million and if the council considers it will promote or improve the economic, social or environmental wellbeing of its area. It is likely that any business case that is approved for a community asset transfer of the property would amongst other things provide satisfactory evidence for the promotion or improvement of the economic, social or environmental wellbeing of the area. Any other form of disposal at an undervalue would also need to satisfy the same criteria.

9.5 Valuations for the property should be carried out by an independent valuer appointed by the council and the valuation must be carried out in accordance with the Local Government Act 1972: General Disposal Consent (England) 2003. This requires valuations of the restricted sale value (allowing for all the conditions which the council has placed on the sale and including non-financial benefits) and an unrestricted sale value.

9.6 Should the council be minded to proceed by way of a community asset transfer it would need to comply with the council's policy and procedure for community asset transfers.

10. Human Resources and Organisation Development Implications

10.1 There are no staffing implications in this report.

11. Consultation

11.1 At this stage, this report seeks agreement to explore the potential for a CAT, after which a decision will be sought about the way forward for the site. Any initial business case for a CAT would need to be driven by community need and the potential for significant community benefit.

12. Environment, Health and Economic Implications

12.1 Queens Road Neighbourhood Centre is located in the heart of the borough's most deprived area, according to the index of multiple deprivation. The local community in the area has experienced the greatest impact of the COVID-19 pandemic and faces the greatest risks of the impact of the increased cost of living. The area is a priority for investment in community-led health and wellbeing recovery and community wealth building, supported by the Shared Prosperity Fund.

12.2 Engagement with the community in the area has highlighted Queens Road Neighbourhood Centre as a valued local community asset, with the potential to provide space for a range of activities that support community wellbeing. It is therefore important to explore the feasibility of a CAT fully prior to a decision to dispose of the site.

12.2 Opportunities to reduce the carbon footprint of the building and increase bio-diversity of the site should be considered through the development of the business case for a CAT or should the site be retained, refurbished and re-purposed.

13. Equality and Diversity

13.1 Any initial business case for a CAT would need to undertake an Equality Impact Assessment, which would be considered alongside the initial business case.

14. Summary and Recommendations

14.1 QRNC is in a deteriorating condition, with significant fire and health and safety risks and issues present. Since the vacation of Youth Services in 2020 the building has had no significant primary user in place to manage any wider secondary or sessional users. Additional capacity and management would be required to open the building as a polling station.

14.2 To make the building fit for purpose, a substantial primary user would need to be identified, along with the funding required to reconfigure, refurbish, and fit out the building to accommodate such a use. At this time no substantial primary user has been identified from a council service. As mentioned above, an expression of interest has recently been received from Halifax Opportunities Trust for a CAT of the building. Should a CAT not be considered an appropriate option, then the site would need to be marketed for disposal.

14.3 Overall, a disposal should remove forward liability and present an opportunity for a capital receipt. However, conditions would need to be considered to ensure the site does not remain vacant and become more of a blight for the locality. This, alongside the grade II listed status of the building, may have an impact on the possible capital receipt that could be realised by the council.

14.4 From a property perspective, with no substantial council primary user currently identified, it is recommended that:

14.4.1 HOT is given 3 months to provide an initial business case for a CAT, in line with the procedure for recent CATs.

14.4.2 If no business case is forthcoming or the business case is not deemed appropriate, then the council's disposals process should be followed with the aim of marketing for sale.

For further information on this report, contact:

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Telephone:	01422 392001
E-mail:	alan.lee@calderdale.gov.uk

The documents used in the preparation of this report are:

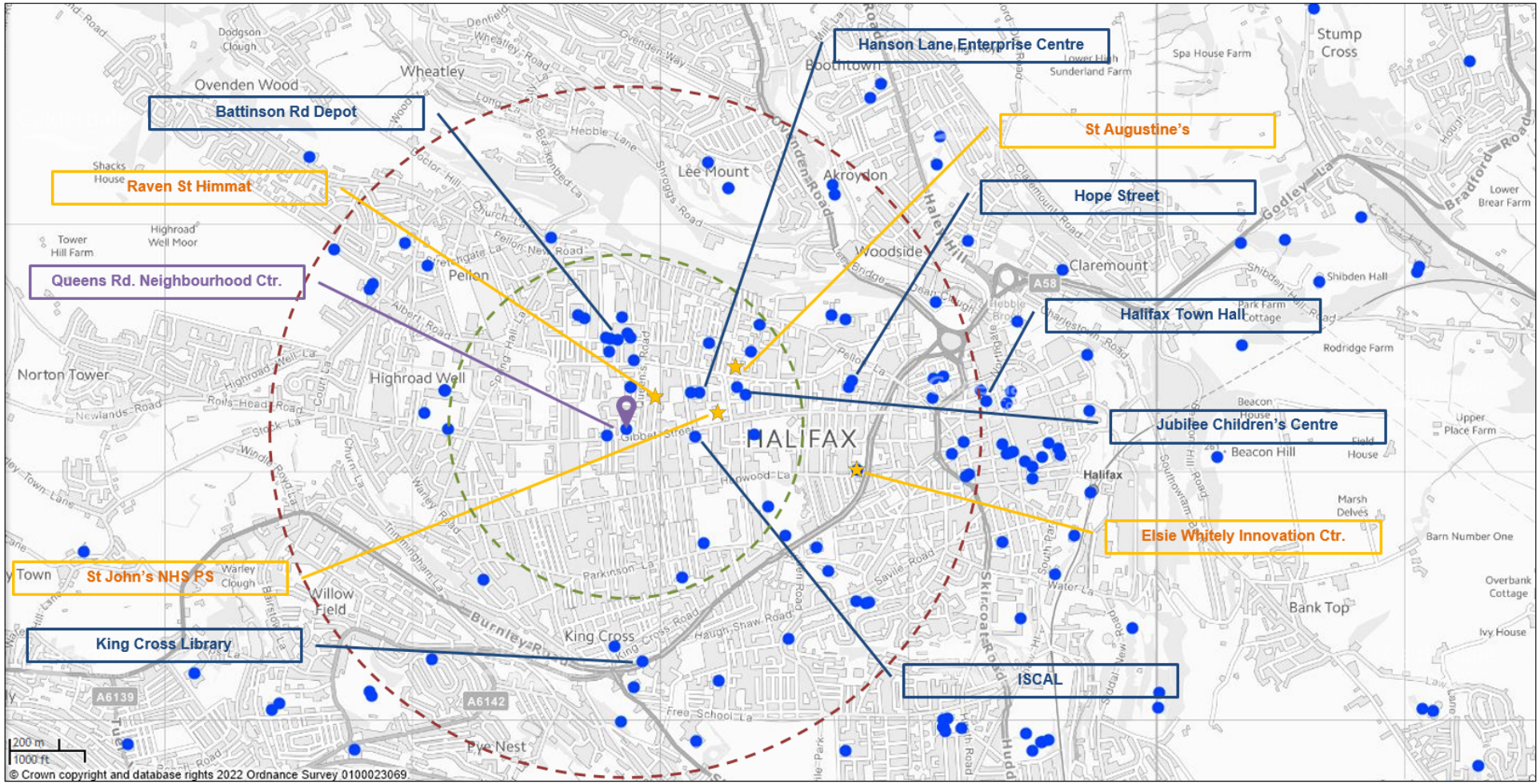
1. June 2020 Youth Services Cabinet Report
2. 2021 CAFM Maintenance Management Appraisal
3. 2019 Title Check
4. List of secondary and sessional users
5. Service SWOT analysis
6. March 2022 Central Neighbourhoods Team Requirements

The documents are available for inspection:

through the report author.

Appendix A

Area Map – Assets and opportunities



Key

	½ Mile Distance Buffer (~10-15min walk)		CMBC Asset	Notes:
	1 Mile Distance Buffer (~25-30min walk)		Key Opportunity / Asset of Interest	
	Key Asset			

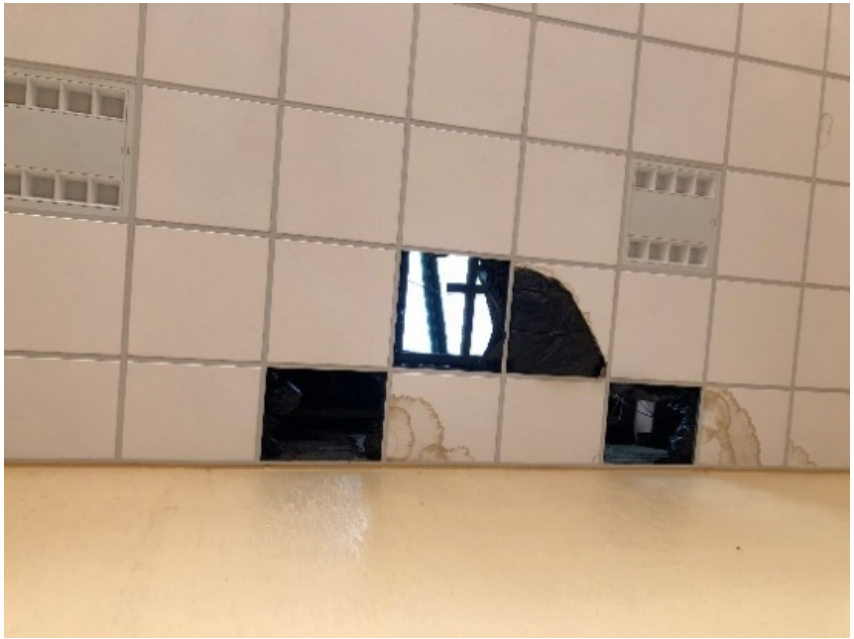
Appendix B

Photographs

P1 – Disturbed textured coating – Asbestos (pre-removal works)

P2 – Boarded Windows

P3 – damaged ceiling tiles due to water ingress / roof leaks



P4– South Hall post asbestos removal works

Appendix C

Expression of interest in Queens Road Neighbourhood Centre

Councillor Jane Scullion
Deputy Leader, Cabinet Member Regeneration and Strategy
Calderdale Council
C/O Town Hall
Crossley Street
Halifax
HX1 1UJ

4th October 2022

Dear Councillor Scullion

Expression of interest in Queens Road Neighbourhood Centre

I'm contacting you on behalf of the trustees of Halifax Opportunities Trust (HOT) to formally express interest in an asset transfer of Queens Road Neighbourhood Centre (QRNC) to HOT under the council's Community Management of Assets Policy.

The trustees believe that an asset transfer of this neglected community centre in the heart of Park ward would be fully in line with the aims and objectives of the Assets Policy:

- Strengthening communities by contributing to the ongoing development of high impact, sustainable community organisations;
- Ensuring effective use of public assets;
- Encouraging and supporting more community management of public assets where this is deemed in the best interests of the local community and the Council; and
- Improving and extend access to services within different localities, whether delivered by the Council, other public sector agencies or by the third sector.

As you are aware, HOT is a highly capable and experienced organization which has already developed several significant capital assets in Park ward, in partnership with CMBC (Hanson Lane Enterprise Centre; Jubilee Children's Centre; Elsie Whiteley Innovation Centre; The Outback Kitchen & Garden). All these buildings are still in use and very well run and maintained. They are all popular with local people and are open to all, with no demographic or ideological exclusions.

HOT's ambition for QRNC is to continue to run it as a community centre, with a positive focus on wellbeing and opportunities. We would move our community projects from Hanson Lane Enterprise Centre to QRNC, including employment, ESOL, integration and wellbeing schemes. We plan to house local organisations/teams, such as Halifax Central Initiative (and other public/charitable services) and create substantial meeting space for community use and hire. Our vision is of a vibrant, welcoming, beautiful hub in the heart of this great community offering activities for everyone, 7 days a week. We also believe that the restoration of QRNC will act as a regenerative catalyst in the area for further capital projects – a tried and tested method of community economic development over many years.

We are aware of other interest in the building, and it is for the council to decide whether they wish to asset-transfer this important local landmark and to whom. It is designated in the draft Neighbourhood Plan for Park as a community asset and we believe we would be an excellent guardian of the site and build on its track record over the years as an important gathering place for local people. Subject to basic restoration work to address

Hanson Lane Enterprise Centre
Hanson Lane, Halifax, HX1 5PG
01422 347392 www.regen.org.uk

Registered office: Hanson Lane Enterprise Centre, Halifax, HX1 5PG
Company No. 04113550 (England & Wales)

the neglect of the building, we are committed to further investment into the site to restore it to its former glory, respect its Grade II listed status and to maintain it as well as the other buildings which are entrusted to HOT in the local area.

We believe there is an excellent window of opportunity coming up to take forward an asset transfer. The UK Shared Prosperity Fund and public health funding commitments to Park provide a renewed focus on regeneration and economic development in the area. The Community Ownership Fund offers significant grant funding to restore community buildings. There are also other grants specifically for heritage buildings which QRNC would quality for and which the Trust has experience in bidding for (and securing).

The Trust would also be open to securing loan finance, subject to feasible and sustainable repayment.
I hope that CMBC is willing to consider this expression of interest and I look forward to your reply

Best wishes

Alison Haskins, CEO

On behalf of the Board of Trustees

Cc

- Cllr Silvia Dacre
- Cllr Faisal Shoukat
- Cllr Mohammed Shazad Fazal
- Cllr Jenny Lynn
- Zorah Zancudi, Director of Public Services
- Shelagh O'Neill, Director of Regeneration and Strategy
- Sarah Richardson, Assistant Director Customer Services
- Stephen Hoyle, Lead for Asset Management