

Cabinet Member for Jobs and Regeneration

7 March 2018

Name of Cabinet Member:

Cabinet Member for Jobs and Regeneration – Councillor J O’Boyle

Director Approving Submission of the report:

Deputy Chief Executive (People)

Ward(s) affected:

Whoberley
Woodlands
Lower Stoke
Upper Stoke
Sherborne
St Michaels

Title:

Youth Services Property Report

Is this a key decision?

No

Executive Summary:

As part of the Connecting Communities Phase 2 Programme, on March 7 2017, Cabinet approved the ending of all Council ran universal youth work. At the time of writing the Cabinet report the future use of the associated buildings was unclear due to their differing status Voluntary and community sector organisations expressing an interest in providing mitigating youth work were also able to express an interest in the buildings being vacated by the youth service; subject to their individual status. However, none of the business cases associated with the buildings were successful and the service is now required to take appropriate action in order to dispose of those buildings that are now surplus to requirements.

On 31st August 2017 all Council ran universal youth work ceased in sixteen locations across the city. Nine of the youth work activities took place within community venues and the remaining seven were based in buildings owned by the Council.

Set out below are recommendations for the seven properties that have been impacted upon by the March 7 2017 recommendation to cease universal youth work provision being agreed and implemented.

Recommendations:

The Cabinet Member for Jobs and Regeneration is recommended to approve:

1. The grant of a lease to Positive Youth Foundation for Hillfields Young Peoples Centre, Yardley Street, Hillfields.
2. The return of the following Council properties to Commercial Property Management Place Directorate, declaring them surplus to operational requirements and subject to onward disposal as detailed in this report; Jardine Young People Centre, Whoberley Youth Centre, the African Caribbean Centre for Young People, Peoples Place Youth Centre, Stoke Aldermoor and On Target Youth Centre, Spon End.
3. To note the ongoing discussions regarding the variation of the Council's lease of Stoke Park Youth Centre to enable services to continue to be delivered from the venue.

List of Appendices included:

None

Background papers:

None

Other useful documents

Connecting Communities Phase 2 Cabinet report dated 7 March 2017.

Has it been or will it be considered by Scrutiny?

No

Has it been or will it be considered by any other Council Committee, Advisory Panel or other body?

No

Will this report go to Council?

No

Report title: Youth Service Property Report

1. Context (or background)

- 1.1 On 7 March 2017, Cabinet approved recommendations on Connecting Communities (Phase 2) implementation. Some of these recommendations related to the Council's universal youth provision and work to be progressed to develop the wider youth sector in a way that would mitigate the impact of reductions in the provision delivered by the Council.
- 1.2 Voluntary and community sector organisations expressing an interest in providing mitigating youth work were also able to express an interest in the buildings being vacated by the youth service. However, none of the business cases associated with the buildings were successful.
- 1.3 In relation to Stoke Park Youth Centre, ongoing discussions are now being held with regard to the variation of the lease dated 24th April 2013 held by the Council to enable other organisations to deliver youth work programmes for the City Council. Programmes including art and media based work, sports and activities programmes and positive activities.

2. Options considered and Recommended proposals

- 2.1 It is proposed that Positive Youth Foundation be granted a 2-year lease of Hillfields Young People Centre. The building will be leased below the market rent and Positive Youth Foundation will make a £5,000 annual contribution towards the running costs of the building. The building will be retained as an operational building and the Council will continue to be responsible for the repair and maintenance of the building and the payment of property running costs. Some Council services will also continue to operate out of the building, including; the Youth Offending Service, Voices of Care and Coventry Youth Council.
- 2.2 Approval is sought to declare the remaining properties (Jardine Young People Centre, Whoberley Youth Centre, the African Caribbean Centre for Young People, Peoples Place Youth Centre, Stoke Aldermoor and On Target Youth Centre, Spon End) surplus to operational requirements.

The African Caribbean Centre for Young People (Hillfields) to be declared surplus to operational requirements and immediately disposed of by way of either open market tender or auction.

People's Place Youth Centre (Stoke Aldermoor) and On Target Youth Centre (Spon End) to be marketed for leasing to secure a rental income for the Council.

It is proposed that Jardine Young People Centre (Tile Hill) and Whoberley Youth Centre (Whoberley) will be declared surplus to operational requirements and placed on the open market to be leased. If these buildings cannot be let within a period of 3 months, officers will look to dispose of the freehold interest in the buildings either by an open market tender or by auction. If Cabinet Member approval is required in respect of the disposal terms officers will submit a further report for approval.

- 2.4 To note the ongoing discussions regarding the variation of the Council's lease dated 24th April 2013 in respect of Stoke Park Youth Centre to enable youth work to continue to be delivered from the venue.

3. Results of consultation undertaken

As part of the Connecting Communities Phase 2 Programme a public consultation took place from 12th September 2016 until 12 December 2016. This included the recommendation to end Council run universal youth work.

4 .Timetable for implementing this decision

If approved, the recommendations will be implemented immediately.

5. Comments from Director of Finance and Corporate Services

5.1 Financial implications

The recommendations in this report will enable delivery of the £75k Youth Service full year property savings target as agreed by Cabinet on 7th March 2017 as part of Connecting Communities Phase 2.

Due to the timing of implementation, and some one-off costs in relation to building security and to ensure the properties are suitable for disposal (forecast to be below £25K), the savings target of £75K will not be achieved in the 2017/18 financial year. This will be managed within the 2017/18 budgetary control position.

5.2 Legal implications

Property

Some of the properties identified within this report will be appropriated and held by Place Directorate (Property Management & Property Services) under Section 122 Local Government Act 1972 to enable disposal (leasehold or freehold).

The Council is under a legal obligation to ensure that any consideration it receives will represent "best value" in accordance with the Council's requirements to obtain the best consideration reasonably obtainable pursuant to the provisions of Section 123 of the Local Government Act 1972.

It is recognised and expressed in this report that the proposed lease of Hillfields Young People Centre to the Positive Youth Foundation will be leased at less than best considered. Under the General Disposal Consent 2003, specific consent is not required for the disposal of any interest in land which the authority considers will help it to secure the promotion or improvement of the economic, social or environmental well-being of its area provided the undervalue does not exceed £2 million pounds. The proposed lease will secure the continuation of youth services in Coventry for the immediate future.

State Aid

Whenever the Council grants a benefit in any form to an undertaking. It is possible that such benefit may constitute State aid.

All land/property disposals need to comply with the European Commission's State Aid rules. When disposing of land 'at less than best consideration', "depending on the nature of the transaction", the Council may be 'subsidising' the purchaser. Where this occurs, the Council must ensure that the nature and amount of subsidy complies with the State Aid rules, particularly if there is no element of competition in the disposal process.

In relation to the Hillfields Young Peoples Centre, it is unlikely that the benefit set out under this report will constitute illegal State Aid on the basis that it can be treated as “local aid” for the following reasons:

- Positive Youth Foundation is active only in a limited area within a Member State, such that the services provided by them are purely local in nature;
- The services are aimed at the local population and are unlikely to be of interest to and attract customers from other Member States.

Officers within Legal Services will prepare and complete all the necessary legal documentation associated with each property identified within this report and ensure that the Council’s interest in relation to all matters contained within this report is properly protected.

2.2 How will this contribute to the Council Plan (www.coventry.gov.uk/councilplan/)?

The recommendations will contribute to making communities safer by reducing the number of vacant properties, which increases the potential for vandalism and anti-social behaviour.

The disposal of surplus operational properties will contribute to the Council’s capital receipt and will remove ongoing costs associated with the buildings.

2.3 How is risk being managed?

A Connecting Communities Programme Delivery Board meets on a monthly basis with representation from Children’s Services and Place Directorate Senior Leadership Teams. A number of project teams meet regularly to progress work streams and manage identified risks. The Strategic Lead for Help and Protection reports to the Connecting Communities Delivery Board at each monthly meeting sharing updates on progress, identified risks and mitigation. Risks will continue to be identified, mitigations sought and impact managed through this process.

2.4 What is the impact on the organisation?

There will continue to be some costs associated with the two properties proposed for retention by the Youth Service will retain (namely Hillfields Young People Centre and Stoke Park Youth Centre) including the cost of officers’ time. The properties that are appropriated to Property Management & Property Services will also carry a cost in the interim, until the properties are leased or disposed (as the case may be).

2.5 Equalities / EIA

A full Equalities Consultation Assessment was undertaken for the Connecting Communities Phase 2 proposals. The ECA, shared with the Cabinet report dated 7 March 2017 included the impact of the proposals upon young people living in the city and Elected Members considered this information as part of the earlier decision making process.

2.6 Implications for (or impact on) the environment

In relation to 4 of the properties (Jardine Young People Centre, Whoberly Youth Centre, Stoke Park Youth Centre, and African Caribbean Centre young people centre), there has been a reduction in the use of the buildings and therefore a reduction in the carbon footprint. From 1 September 2017 depending on the future of the buildings there is potential for a long-term reduction in the use of energy and water.

2.7 Implications for partner organisations?

Implementation of the proposals outlined in this report will reduce the number of council buildings partner organisations have access to in Tile Hill, Hillfields and Whoberley areas. Each of the properties were previously used by a number of community organisations therefore the closing of each of the sites has meant that these organisation have had to find new places to deliver their work from.

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Finance: Name Aimee Proctor	Finance	Resources	01/11/2017	01/11/2017
Legal: Name Julie Sprayson	Property Lawyer	Place	13/2/18	13/2/2018
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Councillor J O'Boyle	Cabinet Member for Jobs and Regeneration	Place	19/02/18	19/02/18

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