MERSEYSIDE FIRE AND RESCUE AUTHORITY			
MEETING OF THE:	**FULL AUTHORITY**		
DATE:	**20 OCTOBER 2016**	**REPORT NO:**	**CFO/075/16**
PRESENTING OFFICER	**CHIEF FIRE OFFICER**		
RESPONSIBLE OFFICER:	**DEPUTY CHIEF FIRE OFFICER**	**REPORT AUTHOR:**	**DCFO PHIL GARRIGAN**
OFFICERS CONSULTED:	**JANET HENSHAW STRATEGIC MANAGEMENT GROUP (SMG)**		
TITLE OF REPORT:	**FIRE FIT HUB OPTIONS APPRAISALS AND RECOMMENDATIONS**		

APPENDICES:	**THE FOLLOWNG DOCCUMENTS WILL BE AVAILABLE AT THE MEETING**	• **ARTICLE OF ASSOCIATION** • **DEED OF VARIATION** • **UNDERLEASE** • **LICENCE FOR GYM USE** • **LICENCE FOR COMMUNITY ROOM USE** • **TRADEMARK AGREEMENT** • **SITE PLANS**

Purpose of Report

1. To request that members note the current and ongoing challenges facing the Firefit Hub (TFFH) Charity in relation to its financial sustainability and the potential implications for the Authority.

2. To request that members note the discussions being held with Liverpool Mutual Homes (LMH) in order to achieve a sustainable and long term plan for the youth zone – aligned to the My Place grant conditions and Articles of Association.

3. To request that members support the recommendations of this report and the views of the Board of Trustees in seeking to maintain the youth provision, with particular regard to the options reasonably available and considered below.

4. To request that members note that the recommendations ensure that the focus of the service reflects its statutory functions whilst maintaining youth activities through a strategic partnership with LMH.

Recommendation

That Members:

a) Endorse the transfer of the Charity into LMH subject to LMH adhering to the MyPlace Objectives and terms and conditions of the grant as stated by the Department for Education (DfE).

b) Approve the transfer of the "Toxteth Firefit Hub Charity" into 'Commutual' which is the charitable name within which the Hub will operate.

c) Agree to enter into a Deed of Variation with Liverpool City Council which would allow for purchase the freehold of the property at less than best consideration following the expiration of the Grant clawback period subject to an overage deed as described in this report.

d) Approve the proposal to obtain the freehold for the site in 2031 subject to the grant conditions being met.

e) Agree to offer the freehold option to Commutual under the Deed of Variation to purchase the freehold of the property at less than best consideration following the expiration of the Grant clawback period subject to an overage deed as described in this report. This is agreed on the understanding that the land on which the fire and rescue station sits is separated from that on which the youth zone sits by the redrawing of the boundaries, although the two would remain physically joined.

f) Note the corporate requirements placed on MFRA in relation to the disposal of Authority assets at less than market value and agreed that should there be a change of use for the Fire and Rescue Station post 2031, that MFRA will incorporate the 'training area' into the Hub in exchange for the Hub's rights of access plus a market value fee fixed now which may be waived at the discretion of MFRA at a future point.

g) Agree to make the said changes subject to agreed access arrangements to the Gym and Community room being unaffected by such changes such that employees of MFRA and the community would enjoy rights to use both facilities on the same basis as are currently enjoyed.

h) Note that in order to ensure the successful running of the charity and to maintain the relationship with the Authority and the charity in the delivery of its services it is assumed that, subject to the necessary approvals of the LMH board, MFRA will maintain its representation on the Commutual board.

Introduction and Background

5. The Toxteth Firefit Hub opened in July 2013 to provide the area with a state-of-the-art Youth, community and sporting facility, complete with an adjoining operational fire station. It was made possible through a £2.3 million grant from the Department for Education (DfE) My Place programme, along with a £3.5 million contribution from Merseyside Fire & Rescue Authority (related to the building of the fire & rescue station) and £500,000 capital/revenue contribution from Liverpool City Council. Additional revenue contributions from Liverpool City

Council (reducing over a period of 3 years) were also received to support the operation of the facility with some initial contributions from other partners.

6. The aim of the national MyPlace programme was to provide world-class places to go to for young people. The DfE has invested close to £240m in grants to 63 MyPlace projects across England. This is driving a major change in the level of ambition across the country and a transformation in the way facilities for young people are planned and delivered – particularly with regard to the role and influence of young people.

7. TFFH is the only designated Youth facility of its size currently within Merseyside although Wirral MBC in partnership with Onside are currently developing a Youth Zone in Birkenhead.

8. The aim of MyPlace is to deliver these world class youth facilities, driven by the active participation of young people and their views and needs. Each project must deliver the following programme outcomes:

    - More young people, parents and communities feeling that young people have attractive and safe places to go in their leisure time where they can get involved in a wide range of exciting activities;

    - More young people, particularly the most disadvantaged, participating in positive leisure time activities that support their personal and social development;

    - More young people having access to information, advice and support services from within places they feel comfortable; and

    - Stronger partnership working between local authorities and their third, private and public sector partners to plan, deliver and operate financially sustainable facilities with and for young people.

9. TFFH is currently under significant pressure to deliver a comprehensive service to young people and families (behaviour management, mentoring, guidance, coaching, physical and mental health support, multiagency working, referrals to key agencies, family mentoring and support, safeguarding etc.), and is currently struggling financially (as are many Charities due to austerity measures) to cater for demand due to lack of sustainable financial resource.

10. Representatives of TFFH have held detailed discussions over a lengthy period with several organisations regarding merging the charity with another organisation. Three options were presented to the board of Trustees for consideration, which have previously been shared with members.

    The options presented were as follows:

        - OnSide Youth Zone Proposal
        - Liverpool Mutual Homes – “CharityCo” Proposal
        - Administration

11. Members will also recall that the Board of Trustees felt that the LMH proposal for TFFH was the most appropriate given the options available.

12. It is estimated that £2 Million annually would be gift aided to the TFFH to deliver community based services throughout the city. It is proposed that this option would enable the continuation of the youth zone, whilst also providing a service to the community city wide.

13. It was felt that this option allowed TFFH to not only continue to deliver a youth zone programme to young people, but would enable the TFFH to become financially sustainable. TFFH will however have a wider community strategy to deliver, according to the LMH community strategy.

14. There is also the potential for this option to link into the wider city strategies for health, wellbeing and physical activity with those of MFRA, and for the TFFH to be utilised consistently throughout the daytime, increasing the income generation potential.

15. In this option LMH would gift aid funding to the charity, enabling continuation of operation of the TFFH.

16. With this option MFRA would become a strategic partner for the TFFH and would continue to be represented on the Board of Trustees (DCFO Phil Garrigan and Councillor Peter Brennan currently sit on the Commutual Shadow Board), thereby influencing and complementing the activities of the youth zone whilst maintaining a broader focus on the health and wellbeing of people living in Merseyside.

Equality and Diversity Implications

Local Area Profile

17. TFFH is located in the Princes Park ward of the Liverpool inner-city, close to the border with Riverside ward. The local profile of the immediate catchment area is best understood by an analysis of a number of key characteristics of these wards. It is the combination of these characteristics that provide the basis for understanding the needs of the communities in these areas, not least young people's needs, and therefore the cues for what TFFH delivers. The key indicators of need are:

    - Population
    - Deprivation, income and child poverty
    - Unemployment
    - Housing
    - Crime
    - Health
    - Education
    - Diversity

18. Princes Park ward's population is young and diverse, with over a half coming from BME groups. Deprivation, worklessness, child poverty, crime, disengaged youth, and poor health are all major issues in the ward.

19. Whilst TFFH offers its facilities and programme across Liverpool and Merseyside, circa. 70% of its beneficiaries are local residents from Liverpool 8 (Princes Park and Riverside wards). Collectively, these 2 wards are identified as having in some areas the highest levels of specific types of deprivation in the city and in some cases nationally.

Impact of Youth Zone in Liverpool 8

20. The greatest impacts of these social issues are experienced by the young people of the area, who are classed as vulnerable young people in terms of socio economic status, deprivation and poverty, education attainment, diversity, health and crime.

21. The TFFH currently works with over 3000 young people per month who access the centre over 6 evenings per week. With additional resources TFFH has the capacity to be supporting double the vulnerable young people currently being supported. 80% of young people accessing the centre are from BME backgrounds, and 70% of members are from within the local area considered one of the most deprived wards nationally.

22. The proposal will help secure the future of the community facility with the youth and sports centre at TFFH and facilitate wider community programmes for the benefit of the community.

Staff Implications

23. Thirty five (35) Staff are employed by TFFH. 40% of staff are themselves young people.

24. Many employees have been unemployed for several months before joining the staff of the Hub.

25. 60% of staff are from the L8 area.

26. The staff team is heavily supported by a growing network of volunteers.

27. Liverpool 8 has one of the highest worklessness rates in the country, therefore it is important that the long term security of these posts is confirmed, which will have an impact on the wider regeneration of the community, and of the city more broadly.

Legal Implications

28. If agreed Liverpool City Council will enter into a Deed of Variation to vary the existing lease with MFRA. This includes the option to purchase the freehold at nominal consideration following the expiration of the Grant clawback period, subject to an overage deed for any change of use as described in this report.

29. The overage deed will entitle the Council to an overage payment for increase in value of the property due to change of use or implementation of a planning permission during an overage period of 25 years from the exercise of the option. The proposed Deed of Variation will be subject to the approval of the Education Funding Agency which currently administers the Grant.

30. In respect of the freehold option, the City Council and the Authority are both required under section 123 (2) of the Local Government Act 1972 to obtain best consideration for their land disposal. The Council will need to obtain a valuation of its land interest in the site.

31. Under the General Disposal Consent (England) 2003, the Council and MFRA may dispose of land at less than best consideration where it considers it will help secure the promotion or improvement of the economic, social or environmental well-being of its area. In all cases this is subject to the condition that the undervalue does not exceed £2 million. If the amount of the undervalue exceeds £2 million then the consent of the Secretary of State is required.

32. If the DfE approves the Deed of Variation and the Underlease to Commutual Members are asked to:

    a) Endorse the transfer of the Charity into LMH subject to LMH adhering to the MyPlace Objectives and terms and conditions of the grant as stated by the Department for Education (DfE).

    b) Approve the transfer of the “Toxteth Firefit Hub Charity” into ‘Commutual’ which is the charitable name within which the Hub will operate.

    c) Agree to enter into a Deed of Variation with Liverpool City Council which would allow for purchase the freehold of the property at less than best consideration following the expiration of the Grant clawback period subject to an overage deed as described in this report.

    d) Approve the proposal to obtain the freehold for the site in 2031 subject to the grant conditions being met.

    e) Agree to offer the freehold option to Commutual under the Deed of Variation to purchase the freehold of the property at less than best consideration following the expiration of the Grant clawback period subject to an overage deed as described in this report. This is agreed on the understanding that the land on which the fire and rescue station sits is separated from that on which the youth zone sits by the redrawing of the boundaries to reflect the new relationship, although the two would remain physically joined.

f) Note the corporate requirements placed on MFRA in relation to the disposal of Authority Assets at less than market value and agreed that should there be a change of use for the Fire and Rescue Station post 2031, that MFRA will incorporate the 'training area' into the Hub in exchange for the Hub's rights of access plus a market value fee fixed now which may be waived at the discretion of MFRA at a future point.

g) Agree to make the said changes subject to agreed access arrangements to the Gym and Community room being unaffected by such changes such that employees of MFRA at Toxteth Fire Station would enjoy rights to use both facilities on the same basis as are currently enjoyed.

h) Note that in order to ensure the successful running of the charity and to maintain the relationship with the Authority and the charity in the delivery of its services it is assumed that, subject to the necessary approvals of the LMH board, MFRA will maintain its representation on the Commutual board.

33. There will be a licences in place to protect the access to and the continued use of fitness facilities and the community room.

34. The Firefit brand which is registered to MFRA as a Trademark will be protected by way of Agreement for use. Safeguards will be incorporated within the agreement for use to ensure the Firefit brand is protected.

Financial Implications & Value for Money

35. The Financial Appraisal illustrates performance to date since opening;

- Loss of grant funding from 2016/17 onwards (Liverpool City Council)
- Reduction in MFRA contribution (utilities, maintenance and IT) from 100% years 1-3 to 40% thereafter
- Reduced contribution secured from MFRS in relation to the use of and access to the Hub for staff and through the provision of diversionary activities.
- Staffing restructure made salary saving of £59,500 per year, came into effect as of 1st September 2015.
- TFFH currently has rates relief in 2015/16.

36. Current Financial Position September 2016:

- £65,067 in bank as of 29.08.2016
- Outgoings of approximately £38k
- Income of approximately £17k Deficit in 16/17 estimated at £112k

- The Service and LCC have provided £60k to TFFH to ensure its ongoing sustainability throughout 2016/17.

- Financial forecasting indicates that the financial arrangements are sufficient to cover running costs up until April 2017.

Risk Management, Health & Safety, and Environmental Implications

37. Risk associated with depletion of TFFH service, or closure of the centre:

38. Crime and gang antisocial behaviour has reduced in these wards by 40% since the centre opened. There is therefore the potential for anti-social behaviour and gang related crime to increase.

39. Additionally there is reputational risk to MFRA and Liverpool City Council with regards to the perception that the centre has been allowed to close and no alternative provision provided. Members will recall that TFFH replaced the old Toxteth Sports Centre.

Contribution to Our Mission:	*Safer Stronger Communities – Safe Effective Firefighters*

40. TFFH provides diversionary activities for young people reducing the amounts of anti-social behaviour experienced within South Liverpool which will directly contribute to a reduction in secondary fires in the area.

41. Activities also improve the health and wellbeing of the young people in Liverpool and promote cultural diversity and community integration.

42. A strategic partnership with LMH will support MFRA discharge its broader prevention activities.

BACKGROUND PAPERS

43. Given their size the following documents will be available prior to and during the Authority meeting;

- Articles of Association
- The Deed of Variation
- The Under lease 2016,
- Trademark Agreement 2016,
- Any Licences between MFRA and the TFFH (LMH) – related to Gym and Community usage.

Detailed plans specifying the proposed boundaries in relation to the superior lease and under lease will also be available.

GLOSSARY OF TERMS

MFRA	Merseyside Fire and Rescue Authority
MFRS	Merseyside Fire and Rescue Service
YZ	Youth Zone
DFE	Department of Education
TFFH	Toxteth Fire Fit Hub
LMH	Liverpool Mutual Homes