

**Report of the Director of City Development and the Assistant Chief Executive
(Citizens and Communities)**

Report to Executive Board

Date: 8th February 2017

**Subject: Community Asset Transfer of Bramley Community Centre to Bramley
Elderly Action**

Are specific electoral wards affected?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
If yes, name(s) of ward(s): Bramley & Stanningley	
Are there implications for equality and diversity and cohesion and integration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, access to information procedure rule number:	
Appendix number:	

Summary of main issues

1. In response to the Asset Review exercise undertaken in Bramley, Bramley Elderly Action (BEA) approached the council with a view to taking over Bramley Community Centre for the benefit of the local community. Although as an organisation they focus on people aged over 60, they are a key community organisation in the local area and are keen to ensure that the centre is open to all and particularly want to increase usage by families.
2. Consultation with local residents and users of the centre has supported BEA's proposal to take over the centre.
3. Draft heads of terms have been agreed for a 25 year full repairing and insuring lease for a peppercorn consideration. Prior to the lease's completion, the council will carry out the urgent and essential items identified in the recent condition survey, apart from £30k identified to replace pipework that had reached the end of its design life, but which is not faulty. It is proposed that the council agrees to cover a percentage of the costs of any failure on a sliding scale over the next four years, should such a failure occur.

Recommendations

4. Executive Board is requested to:
 - i) approve the community asset transfer of Bramley Community Centre to Bramley Elderly Action by way of a 25 year full repairing and insuring lease for a peppercorn consideration;
 - i) Delegate authority to the Director of City Development to finalise the terms of the disposal to Bramley Elderly Action;
 - ii) Delegate authority to the Director of City Development to finalise the terms of any sub-lease to the council from Bramley Elderly Action for Housing staff, should such a sub-lease be required;
 - ii) note the Chief Officer Economy and Regeneration will be responsible for ensuring the recommendations are implemented. It is expected that the transfer itself will take place by 1st June 2017.

1. Purpose of this report

- 1.1 The purpose of this report is to seek Executive Board approval for the Community Asset Transfer of Bramley Community Centre to Bramley Elderly Action by way of a 25 year lease.

2. Background information

- 2.1 Bramley Community Centre sits within the Citizens and Communities community centre portfolio. It is located in the centre of Bramley (please see the site plan attached at Appendix 1) and offers a large hall and a number of smaller meeting rooms. The centre is used regularly by a number of local community organisations including Bramley Elderly Action, Bramley Luncheon Club and Bramley Historical Society. There are regular one off lettings and Youth Services have office space in the building.
- 2.2 Bramley Elderly Action (BEA) is a charity which provides opportunities and support for older people in Bramley, Swinnow and parts of Stanningley. They are one of the Neighbourhood Network schemes in Leeds promoting the independence, health and wellbeing of older people throughout the city. In 2012 they took over the former Bramley Lawn Day Centre on Stanningley Road and run it as a social centre for all sections of the community. It is used throughout the week for both BEA run activities and hired by other community organisations. It is financially viable and BEA has continued to maintain the property.

3. Main issues

- 3.1 Council owned properties in Bramley have been considered as part of the asset review programme. Bramley Community Centre was considered as part of that review. In response, BEA approached the council with a view to taking over the centre and running it for the benefit of the local community.
- 3.2 The review in Bramley has concluded that the preferred course of action is to close Bramley Housing Office and relocate the customer facing staff to a new community hub based in Bramley Library. The back office Housing staff will need to relocate and it is proposed that they move into Bramley Community Centre. The council will lease back part of the centre at market rent to provide space for those staff. There are approximately 23 staff in scope who already work to Changing the Workplace principles. Works will need to be carried out to refurbish the relevant area of the building. Renting this space out has been built into BEA's business plan and the income would strengthen their financial position. However, the business plan is not reliant on such income and would be viable without Housing staff moving in.
- 3.3 Youth Services who currently occupy office space within the centre will relocate within West Leeds. Their preference is to move to Hough Lane offices alongside colleagues from Youth Offending. This will require desk space for five or six staff and Youth Offending colleagues advise that they will be able to accommodate them within their existing space allocation. There will be synergies to each service from these teams being based together and because of those synergies this move is scheduled to take place whether or not the community asset transfer is approved.
- 3.4 BEA will keep Bramley Community Centre open to all residents within the local area. Although as an organisation they focus on people aged over 60, they are a key community organisation in Bramley and are keen to ensure that the community

centre is open to all and particularly want to increase usage by families. Current lettings for the centre will be honoured although some of the current regular users benefit from free lettings at the moment. Post-transfer BEA will have to charge all users of the centre, including their own projects, to make the centre financially viable. This has been discussed in consultations with current users and is an issue for one group in particular. BEA is prepared to negotiate with that user and ultimately, given that the user in question provides services for older people in the local area, it is in BEA's interest that continuity of that provision be safeguarded.

- 3.5 BEA will relocate their offices from privately rented accommodation on Stanningley Road into the community centre by the end of their current lease in 2018. The rental saving will be used to make a significant contribution towards the financial viability of the centre.

4. Corporate considerations

4.1 Consultation and engagement

- 4.1.1 A public consultation event was held on 4th March 2015 with conclusions delayed due to the ongoing asset review in the area, but an increased role for BEA was generally supported.
- 4.1.2 BEA held an open day at the centre on 13th October 2016. This open day was attended by approximately 70 people and included building tours, discussion groups, ideas for the future and an opportunity for attendees to anonymously vote for whether or not they supported BEA taking over the centre. Thirty four responses were received. Of these 31 were supportive, 2 were "not sure" and 1 was against the idea.
- 4.1.3 Current users of the centre were sent a joint communication from the council and BEA outlining the proposed transfer. No responses were received. Further to this BEA has consulted directly with the centre's users.
- 4.1.4 Bramley & Stanningley Ward Members have been consulted and are supportive of the proposal.
- 4.1.5 The Executive Member for Communities has been consulted and is supportive of the transfer.

4.2 Equality and diversity / cohesion and integration

- 4.2.1 An equality, diversity, cohesion & integration screening has been completed and is attached at Appendix 2. This shows no negative impacts for the protected characteristics. BEA is keen to engage with younger people, particularly families with young children.

4.3 Council policies and best council plan

- 4.3.1 The proposal fits in with the Asset Management Plan 2014-17 aims of:

- Manage underused, empty and derelict Council owned property effectively, including listed and other traditional buildings.
- Work with the Third Sector, private and other partners to support, through asset related work, service delivery.

4.3.2 Transferring the centre to BEA fits with the Best Council Plan 2016/17 priorities of:

- Supporting communities, raising aspirations
- Supporting healthy ageing

4.3.3 Transferring the community centre to Bramley Elderly Action is in line with the Community Asset Transfer policy approved by Executive Board in September 2012.

4.4 Resources and value for money

4.4.1 The centre's running costs for 2016/17 are estimated to be £45,770. This figure does not take account of income, which for the past two years has been around £12,000 pa, so a more realistic indication of the actual net cost for the current financial year would be around £34,000. Post transfer this amount would be a saving to the Citizens and Communities community centres budget. A large proportion of the running costs (£29,770) is made up of staffing and related costs for the caretaker. At present there is a caretaker on site but the Head of Cleaning Services has confirmed that the individual in question is to move to a vacant role elsewhere within the service.

4.4.2 BEA has estimated that rent and service charge for the Housing back office staff occupation of the centre would be in the region of £12,000 pa. Officers in Land & Property advise that rental at this level would be good value for the area to be occupied. Terms of the lease are to be agreed, but it is proposed that the council enters into a six year lease with a break clause in the council's favour at year three.

4.4.3 The only apparent alternative for the Housing staff would be to relocate to Hough Lane offices. However, moving so many additional staff into Hough Lane would require staff currently based there to adopt Changing the Workplace principles, which with in excess of 100 staff would likely cost in excess of £150,000, including purchase of new desks and lockers

4.4.4 The community centre condition survey identifies around £60,000 of urgent and essential asset investment works that are required at the building. Discussions with BEA have consistently been on the basis that the council will only carry out any works that we would have had to undertake anyway had the centre remained in the council's management. The major item identified is £30,000 for replacement pipework. Colleagues in Leeds Building Services advise that although the condition survey is right in that the existing pipework has reached the end of its design life, it is not showing any signs of deterioration or fault. It would therefore not be replaced as a matter of course. The remaining urgent and essential works will be carried out prior to any transfer.

4.4.5 The pipework carries a risk for BEA. Should it fail in the short term they would not have the resources to replace the installation. Given that the council has benefitted from the current installation for the duration of its design life it is considered reasonable to agree that if the pipework fails in the near future, the council will contribute to the costs. It is proposed that if the pipework installation fails in year 1 then the council pays 100% of the costs, falling to 75% in year 2, 50% in year 3 and

25% in year 4. After that time BEA will be solely responsible for any replacement. If the council continued to operate the centre then it would carry 100% of the risk of the installation failing. The Head of Service Civic Enterprise Leeds has agreed with this proposal and that if the installation does fail, then the council's liability will be covered by the responsive/capital budget which currently carries the liability for such works.

4.4.6 The lease will be for a term of 25 years with all repairing and insuring liabilities (other than the temporary agreement for the pipework) transferring to BEA. Rent will be set at a peppercorn. A use clause will restrict use to that of a community centre. Heads of terms have been agreed subject to agreement on the pipework and can be found attached at Appendix 3.

4.4.7 A valuation carried out earlier in 2016 valued the property at £180,000. Land & Property colleagues advise this valuation is still valid. Realising this potential capital receipt would only be possible if the community centre was closed, which is not supported by Ward Members.

4.5 Legal implications, access to information, and call-in

4.5.1 The lease will be contracted outside the terms of the Landlord & Tenant Act 1954, so the tenant will have no automatic right to renew.

4.5.2 Section 123 of the Local Government Act 1972 provides that a local authority shall not dispose of land for less than the best consideration reasonably obtainable without the consent of the Secretary of State. The Local Government Act 1972: General Disposal Consent (England) 2003 permits local authorities to dispose of land for less than best consideration where:

- the difference between the unrestricted value of the land and the consideration for the disposal does not exceed £2,000,000; and
- the purpose for which the land is to be disposed of is likely to contribute to the promotion or improvement of the economic, social or environmental well-being of the area.

4.5.3 In this case, the difference between the unrestricted value of the land and the consideration for the disposal is within the parameter indicated above. In addition, the asset transfer of Bramley Community Centre to Bramley Elderly Action will promote/improve the social well-being of the area by providing for additional public sessions for community use in the local area, reducing journey times to other facilities and promoting more community cohesion.

4.5.4 The City Solicitor is therefore of the opinion that the proposed disposal falls within the terms of the Local Government Act 1972: General Disposal Consent (England) 2003.

4.5.5 The proposed asset transfer will not distort competition or threaten to do so or affect trade between member states, so there are no implications for State Aid or the Competition Act 1998.

4.5.6 There are no Access to Information implications. The decision is subject to call-in.

4.6 Risk management

- 4.6.1 There is a risk that Bramley Elderly Action takes over the community centre but cannot operate it viably. The lease will protect the ongoing operation as a community centre and provide that if it doesn't continue to operate as such, then the council will be able to surrender the lease and take the building back. In such circumstances a decision would have to be taken about whether or not the council re-opened the centre itself, which would cause a budget pressure, or whether the centre was closed. In any case, given that if the community asset transfer didn't go ahead the centre would remain operational as a council run venue, the risk to the council is no greater than the current position. Furthermore, BEA's business plan appears viable and they have a good track record of operating community facilities.
- 4.6.2 There is a further risk that the final terms cannot be agreed for the housing staff to move into the offices. This would have both the impact that we would have to find alternative premises for those staff and would impact on the viability of BEA's business plan. However, it should be noted that the occupation by Housing officers is not a pre-requisite of the community asset transfer taking place.

5. Conclusions

- 5.1 Bramley Elderly Action proposes to take over Bramley Community Centre and run it for the benefit of the local community. The centre currently runs at a financial deficit to the council and transferring the centre will result in a saving of the running costs. Consultation has strongly supported BEA having an increased role in the running of the centre.
- 5.2 The centre will be able to provide office space for back office Housing staff who are currently based at Bramley Housing Office, which is proposed to be disposed of under phase 2 of the Community Hubs programme. Market rent will be payable for this space and detailed terms are yet to be agreed.
- 5.3 The site has a freehold valuation of £180,000 although this could only be realised if the current community centre provision closed, which is not supported by Ward Members.

6. Recommendations

- 6.1 Executive Board is requested to:
- i) approve the community asset transfer of Bramley Community Centre to Bramley Elderly Action by way of a 25 year full repairing and insuring lease for a peppercorn consideration;
 - ii) Delegate authority to the Director of City Development to finalise the terms of the disposal to Bramley Elderly Action;
 - iii) Delegate authority to the Director of City Development to finalise the terms of any sub-lease to the council from Bramley Elderly Action for Housing staff, should such a sub-lease be required;
 - iv) The Chief Officer Economy and Regeneration will be responsible for ensuring the recommendations are implemented. It is expected that the transfer itself will take place by 1st June 2017.

7. Background documents¹

7.1 None

¹ The background documents listed in this section are available to download from the Council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.