

<b>Key Decision Required:</b>	<b>No</b>	<b>In the Forward Plan:</b>	<b>Yes</b>
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## CABINET

**4 SEPTEMBER 2015**

### REPORT OF THE ASSET MANAGEMENT AND CORPORATE SERVICES PORTFOLIO HOLDER.

#### **A.5 NEW LEASE OF ALBERT EDWARD HALL, LEGERTON DRIVE, CLACTON-ON-SEA**

(Report prepared by Andy White)

#### **PART 1 – KEY INFORMATION**

##### **PURPOSE OF THE REPORT**

To consider the principle of granting a lease of the newly constructed community centre.

##### **EXECUTIVE SUMMARY**

The Council will shortly become freehold owner of a new community centre and open space created under a s106 agreement associated with adjoining residential development.

The building is under construction and will be completed at the end of September 2015. It will be transferred to the Council for nil consideration.

The Residents' Association has formed a company aimed at taking responsibility for the community centre. The Company aims to take on charitable status.

A lease to the company and ultimately to the charity is proposed in order to secure the effective running of the centre.

The terms of the proposed lease include a stepped rent that supports the company in the short term and is comparable with tenants under the Community Rent Offsetting Scheme thereafter. Terms are fully detailed detailed in Part B of this agenda.

##### **RECOMMENDATION**

**That Cabinet determines in principle that, subject to its decision in Part B of this agenda, it wishes to grant a new lease of the community centre.**

#### **PART 2 – IMPLICATIONS OF THE DECISION**

##### **DELIVERING PRIORITIES**

The Community Centre will be well placed to deliver a range of community services and to host health, recreational and sporting activities that contribute to a spectrum of the Council's corporate priorities.

## FINANCE, OTHER RESOURCES AND RISK

### Finance and other resources

The Lease will provide for a rental income to the Council increasing over time.

The detailed financial implications are considered in the report in Part B of this agenda.

### Risk

Risk	Control
If the Council does not grant a lease of the building it will have to establish an alternative mechanism for running the centre.	Lease proposed.
There is a degree of risk that the Company will flounder or not be able to adhere to its commitments.	The Company has been building capacity and together with Resident's Association members has developed plans for sustaining the building. Support from the Council's Community Officer will continue.
	A stepped rent is proposed in order to allow the company opportunity to become established.

## LEGAL

Section 123(1) Local Government Act 1972 indicates that, a local authority may dispose of land held by it in any way it wishes so long as (section 123 (2)) the land is disposed for a consideration not less than the best that can reasonably be obtained.

The General Disposal Consent Order (England) 2003 gives consent for disposal at below best consideration reasonably obtainable provided that the undervalue is less than £2m and the proposal enhances the environmental economic and social wellbeing of the area.

Section 123(2A) Local Government Act 1972 indicates that, a local authority may not dispose of land held by it without advertising its intention to do so in the local press.

In coming to decisions in relation to management of assets, the Council must act in accordance with its statutory duties and responsibilities. Under case law following Section 120 of Local Government Act 1972, the Council is obliged to ensure that the management of its assets are for the benefit of the District.

The building will be acquired by the Council free of charge under the existing s106 agreement.

The land is not Public Open Space.

It is proposed that the General Disposal Consent Order (England) 2003 is used to grant a lease with arrangements to step up to full rental level (for a Community Building) over the term of the lease. Further details are included in the report in Part B of this agenda.

## OTHER IMPLICATIONS

Consideration has been given to the implications of the proposed decision in respect of Crime and Disorder, Equality and Diversity, Health Inequalities, Consultation/Public

Engagement and Wards; and any significant issues are set out below.

**Ward**

Bockings Elm

**PART 3 – SUPPORTING INFORMATION**

**BACKGROUND**

The Council is party to an agreement under s106 of the Town and Country Planning Act 1990 associated with adjoining residential development North of St John’s Road Clacton on Sea. In addition to highway and other matters the agreement provides for the laying out and transfer to the Council of a substantial area of open space and for the construction and transfer to the Council of a new community centre.

The Council is not well placed to take on the day to day running of the community centre. The Residents’ Association has formed a company aimed at taking responsibility for the community centre.

**CURRENT POSITION**

The s106 agreement is already a legally binding contract and the land and buildings will be transferred under it. The building is under construction and will be completed at the end of September 2015. It is planned that both the land and the building will be transferred to the Council when completed, for nil consideration.

A lease to the company and ultimately to the proposed charity is proposed in order to secure the effective running of the centre.

Further detail on the terms is included in the report in part B of this agenda.

**BACKGROUND PAPERS FOR THE DECISION**

S106 agreement.

**APPENDICES**

Appendix A – Location plan.

# Albert Edward Hall

## Legend

- Community Centre Site 
- Adjoining Open Space 



Date: 21/07/2015

Scale: 1:1,250

0 5 10 20 30 40  
Metres

Author:

Map Notes