

COMMISSIONERS' INDIVIDUAL DECISION MAKING

Wednesday, 24 June 2015


Commissioners' Decision Log No. 15

1. **ST VINCENT'S AND TURNERS ROAD COMMUNITY CENTRE LEASES
(Pages 1 - 10)**

If you require any further information relating to this meeting, would like to request a large print, Braille or audio version of this document, or would like to discuss access arrangements or any other special requirements, please contact: Matthew Mannion, Democratic Services
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Agenda Item 1

Individual Commissioner Decision Proforma Decision Log No: 15	 TOWER HAMLETS
Report of: Corporate Director, Development & Renewal	Classification: Unrestricted
St Vincent's and Turners Road Community Centre leases	

Is this a Key Decision?	No
Decision Notice Publication Date:	Not required
General Exception or Urgency Notice published?	Not required
Restrictions:	None

EXECUTIVE SUMMARY

This report requests the approval of commissioners to the Council's proposed leases of two community centres, namely St Vincent's Estate and Turners Road.

The provision of the centres is for the use of local residents on the estates where they are located and they are provided in line with a Mayoral Executive decision made in September 2013. The centres are complete and ready for occupation and will remain empty until such time as they are let.

The St Vincent's Estate centre is owned by the Council and managed by Tower Hamlets Homes and is for the use of the local residents. The Turners Road facility is on the estate owned and managed by Gateway Housing Association and is for the use of local residents.

Full details of the decision sought, including setting out the reasons for the recommendations and/or all the options put forward; other options considered; background information; the comments of the Chief Finance Officer; the concurrent report of the Head of Legal Services; implications for One Tower Hamlets; Risk Assessment; Background Documents; **and other relevant matters are set out in the attached report.**

DECISION

The Commissioners are recommended to:

1. Agree the Council's proposal to enter into a short term lease of the St Vincent's Estate portacabins to SPLASH (South Poplar &

Limehouse Action for Secure Housing) for a term of two years for a rent of £9,200 per annum in line with the recent LBTH valuation.

2. Note that in relation to the short-life building at Turners Road the Council will take a lease of 15 years from Gateway on a peppercorn.
3. Agree the Council's proposal to then enter a sub-lease with the Turners Road Community organisation who previously occupied this site (their current legal identity is unknown) for a term of 15 years less one day at a rent of £10,000 per annum which is less than the £19,200 rental value as identified by LBTH in a valuation.

APPROVALS

1. **(If applicable) Corporate Director proposing the decision or his/her deputy**

I approve the attached report and proposed decision above for submission to the Commissioners.

Signed  Date 24/6/2015

2. **Chief Finance Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

Signed  Date 24/6/15

3. **Monitoring Officer or his/her deputy**

I have been consulted on the content of the attached report which includes my comments.

~~(For Key Decision only — delete as applicable)~~

~~I confirm that this decision:-~~

~~(a) has been published in advance on the Council's Forward Plan OR~~

~~(b) is urgent and subject to the 'General Exception' or 'Special Urgency' provision at paragraph 18 or 19 respectively of the Access to Information Procedure Rules.~~

Signed  Date 24/06/15

4. **Commissioner**

I agree the decision proposed in paragraph above for the reasons set out in section 1 in the attached report.

Name K KNIGHT Signed 

Date 24/6/15

Name Chris ALISON Signed 


Date 24/6/15

Name Signed

Date

Name Signed

Date

Commissioner Decision Report 24 June 2015	 TOWER HAMLETS
Report of: Corporate Director Development & Renewal	Classification: Unrestricted
St Vincent's and Turners Road Community Centre leases	

Originating Officer(s)	Corporate Director Development & Renewal
Wards affected	Limehouse and Mile End
Key Decision?	No
Community Plan Theme	Great Place to Live

Executive Summary

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The St Vincent's Estate centre is owned by the Council and managed by Tower Hamlets Homes and is for the use of the local residents. The Turners Road facility is on the estate owned and managed by Gateway Housing Association and is for the use of local residents.

Recommendations:

The Commissioners are recommended to:

1. Agree the Council's proposal to enter into a short term lease of the St Vincent's Estate portacabins to SPLASH (South Poplar & Limehouse Action for Secure Housing) for a term of two years for a rent of £9,200 per annum in line with the recent LBTH valuation.
2. Note that in relation to the short-life building at Turners Road the Council will take a lease of 15 years from Gateway on a peppercorn.
3. Agree the Council's proposal to then enter a sub-lease with the Turners Road Community organisation who previously occupied this site (their current legal identity is unknown) for a term of 15 years less one day at a rent of £10,000 per annum which is less than the £19,200 rental value as

identified by LBTH in a valuation.

1. REASONS FOR THE DECISIONS

- 1.1 To enable the use of the portacabin community centre on the St Vincent's Estate by the local residents on a short term renewable basis to be reviewed in two years' time when the planning consent will terminate.
- 1.2 To enable the use of the new buildings at Turners Road developed for the community in conjunction with Gateway Housing Association and in line with the previous decision.

2. ALTERNATIVE OPTIONS

- 2.1 To market the community centres - this may lead to the use of the centre by alternative groups rather than the local residents. The Council would in any event have to enter into the headlease for the Turners Road Centre in order to protect their investment and to enable the council to market and let the property.
- 2.2 In the case of the St Vincent's Estate particularly this will cause some difficulty. The local residents have for some time been served by an organisation called SPLASH (South Poplar & Limehouse Action for Secure Housing) represented by Sister Christine a well-known activist in the Borough. SPLASH has been working on the estate for some years now with the local community. Their work is critical to the local community and their priorities are:
 - Working with Job Centre Plus to set up a weekly Job Club.
 - Continuing the creative work begun by the Round Table
 - Strengthening our partnership work with LBTH, the NHS, Tower Hamlets College, Tower Hamlets Homes, the Police and local voluntary, statutory and business and commercial groups.
 - Supporting the Decent Homes Project throughout the area.
 - Promoting a more inclusive Community through Social, Recreational and Educational programs.

3. DETAILS OF REPORT

- 3.1 Further to an Executive Mayoral Decision made in September 2013, two short life buildings have been provided for the use of local resident community organisations. The decision provided that the centres would be leased to the relevant organisations once available.
- 3.2 In the case of the Turners Road centre this is located on land owned by Gateway Housing Association and the decision required that the council enter into a headlease with Gateway for the property.
- 3.3 Turners Road community organisation has been operating a community facility for some time, albeit in a poor quality and temporary building. The Council's Planning Authority were required by the Ombudsman to instruct the

demolition and removal of this facility that had a time expired planning consent and had been subject to a number of complaints locally.

- 3.4 Gateway Housing, on whose land the centre was sited have worked very hard with the community to provide a new facility and to this end have been in discussion with consultants and planning officers for some time. Because of the local sensitivities to the use of portacabins that resulted in the Ombudsman's action in 3.3 above, the Council chose to assist Gateway in providing this much needed local facility in a more permanent way.
- 3.5 This facility will be offered on a 15 year lease to the Council in consideration of the £170,000 premium. There will then be a lease back arrangement to the Community organisation so the arrangement is cost neutral so far as running costs are concerned. On entering into the headlease Gateway will pay the council £150k as a contribution to the development.
- 3.6 The St Vincent's Estate portacabins have been provided on the estate for the use of the local community. SPLASH - the local organisation run by Sister Christine will run the Centre and pay all bills and running costs.
- 3.7 SPLASH have provided community support and facilities on the estate for a number of years, in what is considered to be old and now redundant portacabins. This provision is a key benefit to the local community and particularly women's groups who can use the facility for meetings, exercise classes, crèches and educational classes.
- 3.8 Splash previously occupied the redundant portacabins and had done so for a number of years without a lease or rent.

4. COMMENTS OF THE CHIEF FINANCE OFFICER

- 4.1 The "Investment into the Creation of Community Facilities" report was approved under the Mayor's Executive Decision process on 12 September 2013. This adopted capital estimates to provide two community facilities – the SPLASH Community Centre and the Turners Road Community Facility. Following difficulties encountered with the supporting foundations of the sites, a change in construction methods was necessary and supplementary capital estimates were adopted to enable additional costs to be incurred. As a result, final capital estimates totalling £650,000 were put in place to finance the works, with a contribution of £150,000 from Gateway Housing Association towards the funding of the Turners Road scheme.
- 4.2 This report seeks approval to enter into the necessary lease arrangements with the two organisations. Once the leases are signed, the Council will have no management or maintenance responsibilities in relation to either of the facilities.

- 4.3 The Council has forward funded the construction costs of the two centres, and on entering into the lease for Turners Road, the liability for the £150,000 contribution from Gateway Housing Association will be triggered.
- 4.4 The centre on St Vincent's Estate is held under housing powers and as such the annual rental income of £9,200 per annum will be credited to the Housing Revenue Account.
- 4.5 The annual income for the Turners Road facility (£10,000) will be credited to the General Fund. It should be noted that although the Council's valuers have assessed the lease rental at around £20,000 per annum, it is considered that this will be unaffordable to community groups, and therefore it is proposed that the annual rent is set at £10,000 (see paragraph 7.2). If this is the case, then the reduced rental level will mean that the Council is in effect providing a subsidy to the community group which should be taken into account should the organisation apply for any future grant funding.

5. LEGAL COMMENTS

- 5.1 By virtue of s123 of the Local Government Act 1972 ('the Act') except with consent of the Secretary of State the Council must not dispose of land save for leases of less than 7 years for less than the best that can reasonably be obtained.
- 5.2 The Council ordinarily establishes best value by marketing properties but for the reasons set out in this report this has not be undertaken in the case of these properties.
- 5.3 In relation to the St. Vincent's site the rental of portacabin has been valued by internal valuers and the community group is to be charged the full rental the proposal is therefore compliant with the legal requirements set out in the Act.
- 5.4 With regard to the Turner's Road facility it is proposed to be let at less than full market value and is to be a lease of over 7 years. The General Disposal Consent Order 2003 made under Section 128 Local Government Act 1972 provides general consent by the Secretary of State where the undervalue is 2 million pounds or less and the council considers that the purpose for which the land is to be disposed is likely to contribute to the promotion or improvement of social wellbeing. For the reasons set out above the Council considers that the use by the community group to which the premises is to be let will satisfy this criteria.
- 5.5 The Council is also required to have regard to the best value considerations set out in Section 3 of the Local Government Act 1999 namely the duty to make arrangements to secure continuous improvement in the way in which its functions are exercised having regard to a combination of economy, efficiency and effectiveness'. The best value duty is addressed in paragraph 7 below.

- 5.6 The Direction issued by the Minister on 17th December 2014 requires the Council, until 31st March 2017, to obtain the prior written agreement of the Commissioners before entering into any commitment to dispose of or otherwise transfer to third parties any real property other than existing single dwellings for the purpose of residential accommodation . This report involves the disposal of land through the granting of leases and accordingly consent is required.
- 5.7 The Council is required when exercising its functions to comply with the duty set out in S149 of the Equality Act 2010, namely to have due regard to the need to eliminate unlawful discrimination, advance equality of opportunity between those who share a protected characteristic and those who do not, and foster good relations between those who share a protected characteristic and those who do not. The porta cabins are to provide community provision for residents on the estate and to provide for various community activities.

6. ONE TOWER HAMLETS CONSIDERATIONS

- 6.1. This project provides much needed community facilities, helping Tower Hamlets to be a Great Place to Live.

7. BEST VALUE (BV) IMPLICATIONS

- 7.1 Ordinarily the Council will market the use of vacant property including community facilities. Where facilities are being re-provided however for the use of the same organisation this is not the case. In both cases here the organisations are moving from a position of nil rent to at market or negotiated rent position.
- 7.2 In the case of the Turners Rd facility LBTH valuers have valued the lease at £19,200 per annum. This sum is clearly out of the range of the group and it is proposed that the rent set at £10,000.
- 7.2 From a value for money point of view this reflects both the scheme and also the need to let the property to this organisation as agreed and for the use of the local residents.
- 7.3 With regard to the St Vincent's Estate centre, this will be let at an open market valuation to deliver best value but will not be openly marketed. This centre is provided for the use by the community in place of a previously very old and dilapidated centre and as such could not be marketed other than to the current user. Again this facility has been provided specifically for the use of this group and the rent has been determined by a valuation undertaken by LBTH Asset team.
- 7.4 The previous facility had been occupied on an unregulated basis paying no rent. The facility will be occupied on a properly regulated basis with a formal lease and rent.

8. SUSTAINABLE ACTION FOR A GREENER ENVIRONMENT

- 8.1 There are no immediate 'sustainable action for a greener environment' implications arising from this report.

9. RISK MANAGEMENT IMPLICATIONS

- 9.1 There are not considered to be any significant risks associated with these leases.

10. CRIME AND DISORDER REDUCTION IMPLICATIONS

- 10.1 The project will provide community wide facilities to help bring the communities together.

11. SAFEGUARDING IMPLICATIONS

- 11.1 There are no immediate safeguarding implications arising from this report

Linked Reports, Appendices and Background Documents

Linked Report

- None.

Appendices

- None.

Background Documents – Local Authorities (Executive Arrangements)(Access to Information)(England) Regulations 2012

- None.

Officer contact details for documents:

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