

Report of: Executive Member for Tenants, Residents and Communities

Meeting of:	Date	Agenda item	Ward(s)
Voluntary and Community Sector Committee	19 September 2013	B3	Junction

Delete as appropriate		Non-exempt
------------------------------	--	------------

SUBJECT: Whittington Park Community Centre Asset Transfer
1. Synopsis

- 1.1 The Council owns a number of buildings currently being used as the Whittington Park Community Centre. At present, there is no formal lease arrangement between the Whittington Park Community Association ('WPCA') and the Council for the use of the buildings.
- 1.2 The buildings are in a poor state of repair and formalising the arrangements will allow the maintenance and management of the buildings to be passed to the WPCA and for them to be able to raise additional funding not currently available.
- 1.3 This report asks VCS Committee to consider offering the WPCA a 50 year lease at a peppercorn rate subject to the required conditions being met.
- 1.4 The recommendations in this report are in line with a number of Council objectives, including the corporate priority of promoting healthy, active and independent lives. Proposals fall within the Council's Asset Transfer Policy, agreed by the Council in January 2010, described then as 'granting Third Sector Organisations leasehold or freehold arrangements on Council-owned land or property at less than best consideration'.

2. Recommendations

- 2.1 To agree subject to the outcome of the consultation to formalise occupancy arrangements at Whittington Park Community Centre by :

2.1.1. granting Whittington Park Community Association a 20 year lease of the Centre at a peppercorn rent with a positive user covenant for community use only with a right for the Council to terminate the lease if the Centre ceases to be used for community use.

2.1.2. entering into an agreement for a 50 year lease of the Centre with Whittington Park Community Association at a peppercorn rent, conditional on the organisation evidencing sufficient funding and securing planning permission to carry out an approved scheme of works to the Centre.

2.1.3. authorising the Corporate Director of Finance and Resources (in consultation with the Corporate Director of Environment and Regeneration and Assistant Chief Executive (Governance and HR)) to carry out the necessary consultation for the grant of the proposed leases of the Whittington Park Community Centre and to decide whether to confirm the grant of the lease and agreement for lease after having proper regard to any consultation responses.

2.1.4. authorising the Corporate Director of Finance and Resources (in consultation with the Corporate Director of Environment and Regeneration) to confirm the grant of the 50 year lease on satisfaction of the conditions referred to 2.1.2 above having considered the planning permission obtained to carry out an approved scheme and the evidence of funding provided in accordance with the council's Asset Transfer Policy and Principles.

3. Background

- 3.1** The main building has been used as a community centre for over forty years and the Whittington Park Community Association has been a charity since 1973. Next to the main building is Hocking Hall that is also used by the WPCA. The WPCA organise a variety of activities and classes for all members of the community as well as targeted activities for the over 60's and children.
- 3.2** The WPCA currently receive an annual grant of £60,000 of which £21,700 is ring-fenced for repairs and maintenance. However, this has not been sufficient to cover all necessary repairs.
- 3.3** Hocking Hall is currently in a very poor state of repair. There are serious structural issues that have been investigated and monitored over the last few years. The building requires underpinning along with other work to the walls, windows and heating system.
- 3.4** The Council has established a capital budget of £500K to stabilise Hocking Hall, new building work, remodelling and refurbishment to the existing Whittington Park Community Centre building in Yerbury Road, N19 incorporating Hocking Hall, but this is subject to a number of conditions as set out in the letter of the 14th May 2013 at Appendix 1 of this report.
- 3.5** The capital project to repair and refurbish the building will be project managed and/or overseen by the Greenspace Service. This will ensure that the resources are properly managed and the Council gets best value from the investment and that proper project management processes are followed.

- 3.6** It is proposed that the WPCA be granted a 20 year lease to formalise their use of the Centre. The 20 year lease will be offered at a peppercorn rent on full repairing and insuring terms, with a positive covenant for community use only, it being non-assignable. In the event of the WPCA not operating the Centre in accordance with the covenant, the Council will have the option to determine the lease and, if considered appropriate, offer a new lease of the Centre to WPCA at its open market rental value. The current open market rental value of the Centre is currently assessed to be in the region of £23,500 per annum.
- 3.7** It is also proposed that the WPCA be offered an agreement for a lease, of 50 years conditional on the WPCA sourcing funds to gap fund the cost of works to the premises. The scheme of works proposed to the Centre is in excess of the £500,000 capital funding from the Council and the completion of the 50 year lease will be conditional on the WPCA securing the required gap funding. WPCA has formed a sub-committee to lead on fundraising and will be drafting a prospectus to circulate to prospective funders. It will also be launching an appeal for funding and promoting this on its website. Potential funders include Big Lottery Fund, Heritage Lottery Fund, Arsenal FC and various local and national charitable foundations and trusts.
- 3.8** In the event that the WPCA cannot secure the required gap funding for the scheme of works, the Council will undertake works to stabilise the building and additional works up to the agreed capital sum of £500,000.
- 3.9** Following a difficult period in 2010/11 during which the Council supported WPCA with a loan (now being repaid), an experienced Centre Manager was recruited in April 2012 and who has strengthened the management team. She is supported by a seven strong board of trustees. The board is currently recruiting additional trustees with particular skills so that they can further strengthen the management capacity of the organisation. WPCA now has a robust Business Plan to sustain the organisation which is constantly under review.
- 3.10** WPCA plays an important role as one of the Council's community hubs and is an active member of the Octopus Communities network of hubs. It has developed and delivered services that support a number of the Council's corporate priorities and the recommendations of the Islington Fairness Commission. The hub has increased the number of local residents accessing its services by developing new ways of promoting its activities, and has introduced a variety of volunteering opportunities. It is currently in the process of submitting for 'VISIBLE' (the recognised quality mark for community centres) and has made good progress towards achieving this. As a hub, WPCA is working effectively with voluntary, community, statutory and private sector partners and is supporting the development of the local Ward Partnership.
- 3.11** WPCA has been consulting widely over its plans to develop the centre. It actively promoted its services at the Whittington Festival in the Park in September 2012 and has been talking to existing and potential users about the proposed improvements to its buildings. It also hosted the Big Day Out event on 3 June 2013 at the centre. Over 50 responses to the building consultation were received and many new residents have started using the centre as a result of this event. There is now a feedback page on WPCA's revamped website which has been well publicised.

3.12 After a number of years of slow and somewhat painstaking negotiations between the Council and the trustees of WPCA to try to regularise occupancy arrangements, a sense of momentum is now developing around the proposed improvements to the community centre. A project steering group, comprising representatives of all key stakeholders and chaired by a senior manager in Greenspace, has been established and is meeting regularly to plan and review progress. It is intended that this group will continue to be the main forum for co-ordinating project activities and reporting on achievements.

4. Implications

4.1 Financial Implications : The granting of a lease for a peppercorn rent will enable the redevelopment of the WPCA subject to sufficient funds being raised. In the 2012 budget £2m was allocated to improving community facilities, to include Hocking Hall, Caxton House and the Laundry of which £500k has been made available for this project. There is no loss of revenue associated with the granting of a lease at peppercorn rent.

The estimated market value of the Centre is £158,000, based on a valuation in 2009, inflated by the consumer price index. The current annual rental value is £23,500.

4.2 Legal Implications : Section 123 of the Local Government Act 1972 enables the Council to dispose of land\buildings in any manner it wishes, but except in the case of a short tenancy (lease not exceeding 7 years) the consent of the Secretary of State is required if it is intended to dispose of land\buildings at less than the best consideration that can be reasonably obtained.

S.128 of the 1972 Act allows the Secretary of State to make a general consent in respect of certain land transactions by local authorities.

Such consent has been made in the form of 'The Local Government Act 1972 General Disposal Consent (England) 2003'. The General Disposal Consents allows the Council to dispose of properties at less than best consideration where:

- a. the local authority considers that the purpose for which the land is to be disposed is likely to contribute to the achievement of any one or more of the following objects in respect of the whole or any part of its area, or of all or any persons resident or present in its area;
 - i the promotion or improvement of economic well-being;
 - ii the promotion or improvement of social well-being;
 - iii the promotion or improvement of environmental well-being;

and

- b. the difference between the unrestricted value of the land to be disposed of and the consideration for the disposal does not exceed £2,000,000 (two million pounds).'

The general consent would apply to the proposed transactions with WPCA.

As the current use of the land comes within the definition of an Open Space under the Town

and Country Planning Act 1990, s 123 (2A) of the Local Government Act 1972 will apply to the granting of the leases and the Council must advertise its intention to grant the leases in a local newspaper for two consecutive weeks and consider any responses before it grants the proposed lease and agreement for lease.

Fiduciary Duty

Although the Council may have the necessary power to grant the leases at less than the best rent available any decision to do so must be taken reasonably, in the light of the market value of the land/buildings and the amount of the proposed undervalue and with due regard to the Council's fiduciary duty to its Council tax payers. Accordingly in deciding whether or not to grant the leases at less than best consideration the Council must consider properly the benefits to the community of doing so, as set out in this report, and weigh up and balance those benefits against the forgoing of a capital receipt or market rent for the land.

- 4.3 **Environmental Implications** : Aesthetically, Hocking Hall and the WPCC are in a poor state and the planned work will greatly improve the look of the buildings. Because of the issues around the windows and heating system, the building will be more efficient to heat.
- 4.4 **Equality Impact Assessment** : The Council must, in carrying out its functions, have due regard to the need to eliminate harassment and victimisation, and to advance equality of opportunity and foster good relations between those who share a relevant protected characteristic and those who do not share it (section 149, Equality Act 2000). The Council has a duty to have due regard to the need to remove or minimise disadvantages and take steps to meet need – in particular steps to take account of disabled persons' disabilities and encourage people to participate in public life. The Council must have due regard to the need to tackle prejudice and promote understanding. When considering proposals, the VCS Committee will take relevant equalities implications into account.

Whittington Park Community Centre is a well-used community hub and has beneficiaries drawn from a wide range of backgrounds. Regularising WPCA's occupancy of the centre should enable the organisation to bring in additional investment to improve the buildings and to expand its activities. The impact will be positive for all ages, and especially for older people and for children and young people who are core constituencies of the centre. The planned redevelopment will be beneficial for people with disabilities as it will improve access to the centre and facilitate movement between the various buildings in the centre. WPCA already has a good track record for attracting people from a variety of faith traditions and ethnic backgrounds, and it will be using the results of its extensive community consultation to highlight any gaps in its provision and to develop new services for local residents. There should be no negative impacts for equalities arising from these proposals.

5. Conclusion and Reasons for Recommendations

- 5.1 Whittington Park Community Centre is an important community facility providing services for residents in one of the more deprived parts of the borough. The recommendations in this report will formalise occupancy arrangements at the centre and enable Whittington Park Community Association, a well-established local organisation, to raise additional funds to develop its role as a community hub and to become more sustainable. The improvements to the centre will further enhance the appeal of Whittington Park as an open space in the north of the borough and will have positive impacts for health and wellbeing, children and families, and community cohesion.

Appendices: **Appendix 1** – Letter re grant of 14th May 2013
 Appendix 2 – Plan of Whittington Park Community Centre

Final report clearance:

Signed by:



Executive Member for Tenants, Residents and
Communities

Date 9 September 2013

Received by:

Head of Democratic Services

Date

Report Author: Jerry Gutwin
Tel: 020 7527 7244
Email: jerry.gutwin@islington.gov.uk

Ann Mason
Centre Manager
Whittington Park Community Association
Yerbury Road
London N19 4RS

7 Newington Barrow Way
London. N7 7EP

020 7527 2911
andrew.jeffery@islington.gov.uk
www.islington.gov.uk

14 May 2013

SUBJECT TO CONTRACT AND EXECUTIVE APPROVAL

Dear Ann,

WHITTINGTON PARK COMMUNITY CENTRE

I am pleased to confirm to you that the Council has agreed to commit an in-principle grant of £500,000 to the Whittington Park Community Association ("the Association"). The Council's in principle offer is for £500,000 for the overall delivery of the Project. Please note that the Council needs to define the Project and its specification. The grant offer will be formalised in a grant agreement between the Council and the Association.

The grant will fund underpinning work to stabilise Hocking Hall, new building work, remodelling and refurbishment to the existing Whittington Park Community Centre building in Yerbury Road, N19 incorporating the building known as Hocking Hall, as well as professional fees, legal fees, site investigations, contingency and inflation.

This offer of grant is made on condition that:

- The Council will deduct from the grant any costs it incurs directly in delivering the Project.
- The Association obtains all necessary consents to carry out the Project including planning permission.
- The Association continues to seek to raise additional funding from other sources towards the refurbishment and demonstrates this to the Council.
- The Association enters into an agreement with the Council for the grant of a 50 year lease at a peppercorn rent, for as long as the Whittington Park Community Centre remains in community use. The lease will be outside of the security of tenure provisions of the Landlord and Tenant Act 1954 and on such other terms and conditions as the Council and the Association may agree reflecting their respective interests in the Centre, its location and to secure the use of the Centre for the benefit of the local community.
- The lease will be granted as soon as the Association is in a position to proceed with the Project.
- The Association will enter into an agreement with the Council to surrender the lease if the Centre ceases to be used for the benefit of the community.
- The Council will review the terms of this offer if the Project has not commenced on site by June 2014.

Yours sincerely

Andrew Jeffery
Property Services

If you would like this document in large print or Braille, audiotape or in another language, please telephone 020 7527 2000

Appendix 2 – Plan of Whittington Park Community Centre

