

**Community Wealth Building  
Islington Town Hall, London N1 2UD**

**Report of:** Executive Member for Finance, Planning & Performance

<b>Meeting of:</b>	<b>Date:</b>	<b>Ward:</b>
Executive	22 June 2023	Finsbury Park
<b>Delete as appropriate</b>		Non-exempt

**Appendices 2 and 3 to this report are exempt and not for publication**

**SUBJECT: Letting of Platform, The Laundry, Hornsey Road Baths, 2  
Tiltman Place, Islington, London N7 7EE**

**1. Synopsis**

- 1.1 The Council has the long leasehold of this building, a former Grade II listed Victorian bath house with later additions. The building has, in recent years, been primarily used for the provision of youth services, along with other ad hoc users renting space, generally for community focused events and programmes.
- 1.2 The building was run, until the beginning of 2022, by a service provider as part of wider commissioning of youth services. Following a review, the Council decided to cease provision of universal youth services from the building and all costs and liabilities now sit with the Council. A location plan identifying the building is attached at Appendix 1 (non-exempt).
- 1.3 Under the previous arrangements all building costs fell to the service provider who offset a proportion of the running cost and service provision with a modest income derived from the room hire. There was no cost to the council in respect of the maintenance and operation of the building. There are no budgets in place for the maintenance and operation of this building and as such it is a significant revenue pressure.
- 1.4 In parallel to the review of service provision and budget pressures, a property solution has also been explored to consider opportunities to alleviate the budget pressures, whilst supporting wider council strategies. A working group including officers and members was established to support the process as well as help shape the youth offer in the north of the borough following the decision to cease providing universal youth services from Platform.
- 1.5 Given the financial pressures associated with Platform, the Council is proposing to enter into a long term lease for the building with a tenant.
- 1.6 This strategy has four objectives:
  - eliminate the Council's liability for building related costs
  - optimise the building's specialist facilities by identifying a tenant from the performing or creative arts sector
  - enable local providers currently using the space to continue doing so, as well as potentially accommodating other local arts providers

- secure additional social value through the underlease to ensure wider benefits to residents and local communities (including young people)

1.7

The Executive is therefore asked to authorise the granting of an underlease with Collective Acting Studio on the terms set out in the exempt Appendix 2, with any non-material amendments on the detailed lease terms delegated to the Corporate Director for Community Wealth Building.

## **2. Recommendations**

- 2.1 To authorise the Corporate Director for Community Wealth Building, following consultation with the Corporate Director of Resources and Corporate Director, Children and Young People, to grant an underlease of Platform the Laundry Hornsey Road on the terms set out in exempt Appendix 2.

To delegate any decisions on non-material amendments to the detailed underlease terms to the Corporate Director of Community Wealth Building

## **3. Background**

- 3.1 The responsibility and liability of Platform returning to the Council has created a substantial budget risk that needs to be addressed but also an opportunity to support the local education and creative arts sector, as well as deriving significant social benefits.

- 3.2 Following a market warming exercise the council received three formal proposals in respect of the letting of the building. All three organisations making proposals have fully engaged, demonstrating a desire to enter into an underlease with the council which would remove the unbudgeted financial costs currently falling to the council.

- 3.3 Discussions with prospective tenants have emphasised the Council's desire for the continued support of creative youth activities and delivering tangible social value. The social value commitments would form part of the underlease as well as the commitment to support existing users such as Gainctl, Company 3, Ambitious Academy and others.

- 3.4 Following a review of the proposals received the recommendation is to let the building to a single tenant, Collective Acting Studio on the terms set out in the Exempt Appendix 2.

The Executive is therefore asked to authorise entering into the agreement for lease and subsequent underlease on the terms set out in the exempt Appendix 2, with any non-material amendments to the detailed lease terms being delegated to the Corporate Director for Community Wealth Building.

## **4. Implications**

### **4.1 Financial implications**

- 4.1.1 Since the Council took back the building unbudgeted revenue costs have been incurred. The lease aims to strike a balance between financial and social value. Due to commercial sensitivity the full financial implications are set out in the first paragraph of Appendix 2.

## 4.2 Legal Implications

- 4.2.1 The Council has the power to grant the underlease on the proposed terms under s123 of the Local Government Act 1972 and s.1 of the Localism Act 2011
- 4.2.2 When disposing of an interest in its land the Council is required to obtain the best consideration that is reasonably obtainable. Neither the 1972 Act nor any guidance places an absolute duty on the Council to market the land or to follow a prescribed method of disposal to achieve best consideration.
- 4.2.3 The Council has a fiduciary duty to act in a fairly business-like manner with reasonable care, skill and caution and with due regard to the interests of rent and council taxpayers and the use of public funds. Part of discharging the fiduciary duty would be to act to mitigate any costs and liabilities from the unbudgeted revenue costs of the building
- 4.2.4 The exempt Appendix 2 confirms that the proposed letting terms reflect best consideration in accordance with current market conditions and that the Council has acted in accordance with its fiduciary duty.

## 4.3 Equalities Impact Assessment

- 4.3.1 The Council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, 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 2010). The Council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, 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.
- 4.3.2 An Equalities Impact Assessment is not required in relation to this report, because this matter relates to a commercial investment transaction in respect of property held for income generation. There are no Human Resources or equality implications in respect of this proposal.

## 4.4 Environmental Implications and contribution to achieving a net zero carbon Islington by 2030

- 4.4.1 There are no adverse environmental or net zero implications associated with the proposal. The proposed use as an education and arts use, reflects the existing use.

## 5. Reason for recommendations

- 5.1 The letting removes a significant financial pressure for the Council whilst ensuring the building remains used, both supporting an education organisation and the wider creative arts community in the borough
- 5.2 The proposed letting, as set out in the exempt appendix, reflects market conditions, removes significant unbudgeted financial liabilities, and represents the best consideration reasonably obtainable. The social value secured from the grant of the underlease supports the councils' wider strategies for the community.

## Appendices

- Non Exempt Appendix 1 Location Plan
- Exempt Appendix 2: Heads of Terms for the Underlease
- Exempt Appendix 3; Tenant Proposal

## Final report clearance:

### Authorised by:

Executive Member for Finance, Planning & Performance

**Date:** 9 June 2023

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