

ELY, FORMER CENTRE E PREMISES, BARTON ROAD

To: **General Purposes Committee**

Meeting Date: **12th March 2015**

From: **Director of Finance**

Electoral division(s): **Ely North and East**

Forward Plan ref: **N/A** *Key Decision:* **No**

Purpose: **For General Purposes Committee to authorise a concessionary property transaction.**

Recommendation: **General Purposes Committee is recommended to authorise the grant of a lease of the former Centre E building in Barton Road, Ely at less than best consideration, and for detailed terms to be agreed by the Director of Finance.**

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1. BACKGROUND

- 1.1 The subject premises were originally built as an Army drill hall and are situated in a conservation area in close proximity to Ely Cathedral and grounds. The premises formerly served as a pupil referral unit known as Centre E.
- 1.2 The site is bounded on three sides by land in the ownership of East Cambridgeshire District Council (ECDC) (public and private car parking, and small equipment store), and had been identified as a potential Making Assets Count (MAC) project for rationalising all the uses into a redevelopment scheme to provide housing, a more efficiently laid out car park and modern community centre. A plan showing public sector assets can be found at **Appendix A**.
- 1.3 Cambridgeshire County Council has been managing a range of interim uses for the building, whilst the future of the site has been under consideration.
- 1.4 Approximately half of the building was used as temporary accommodation for day centre users whilst the nearby Larkfields was being refurbished, this use ceasing in August 2014.
- 1.5 The remaining part of the Centre E premises is occupied by Ely Forum Ltd, a local not for profit company that provides various community activities. A lease of this part of the premises was drafted has never been completed by the parties. The rent under the draft lease was £1 per annum and has never been paid.
- 1.6 When the Larkfields users vacated a further community group (YEH – the Youth Ely Hub) expressed an interest in being a short-term tenant. Strategic Assets proposed a short-term interim letting of the whole building to the Forum who would work in partnership with YEH, but the two community sector organisations could not agree a common mandate. Strategic Assets therefore requested Business Cases from each group and these were appraised against criteria.
- 1.7 Following the assessment of the two business cases received by Strategic Assets, the preferred potential tenant is YEH.

2 MAIN ISSUES

- 2.1 A joint disposal of the site is now unlikely to proceed, and the YEH has now made a formal approach to Cambridgeshire County Council to take a short-term lease of the whole of the former Centre E building, with a view to establishing a sustainable community use building, until it can either pay a market rent, or alternative premises in Ely can be found.
- 2.2 The appointed trustees of YEH include members from Ely City Council, East Cambridgeshire District Council and the County Council. YEH partners include Centre E and a number of supporting users including Sainsbury, Spotted in Ely, Edge, Soham Action for Youth Team, (a Voluntary and community sector organisation), Centre 33, and Charity Pooling also makes funding available. It is understood that there is also an emerging Early Years need in the area.

- 2.3 YEH have stated that they would like a nominal peppercorn rent for the first year of any tenancy, but would be willing to negotiate a higher concessionary rent or profit share arrangement from the commencement of the second year and thereafter.
- 2.4 The grant of a lease at a peppercorn rent would fall outside the delegation to officers in Strategic Assets as the rental value is likely to exceed £20,000 per annum, and approval will therefore be required from General Purposes Committee. It is likely that the proposal will be for a lease on tenant full repairing terms, for five years duration, and contracted out of the security of tenure provisions of the Landlord and Tenant Act 1954. The lease would incorporate a landlord's break clause that can be exercised at any time and for any purpose. This would enable the County Council to regain vacant possession if the community use was failing, if redevelopment and disposal became the preferred option, if alternative premises became available for community use, or if the County Council requires the premises for service delivery.
- 2.5 It must be recognised that if the lease is granted, and the community use is successful, then it will become increasingly unlikely that the County Council would realise a capital receipt from the asset until the economic life of the building expires.
- 2.6 It must also be recognised that the proposal will displace Ely Forum from the premises.

3. ALIGNMENT WITH CORPORATE PRIORITIES

3.1 Developing the local economy for the benefit of all

There are no significant implications within this priority.

3.2 Helping people live healthy and independent lives

Supports the development of community resilience and reduced reliance on public services - a key priority of the Early Help strategy.

3.3 Supporting and protecting vulnerable people

There are no significant implications within this priority.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource Implications

Significant implications can be found at paragraph 2.3 and 2.4

4.2 Statutory, Risk and Legal Implications

Implications of paragraph 1.5 should be noted.

4.3 Equality and Diversity Implications

There are no significant implications within this category.

4.4 Engagement and Consultation Implications

There are no significant implications within this category.

4.5 Localism and Local Member Involvement

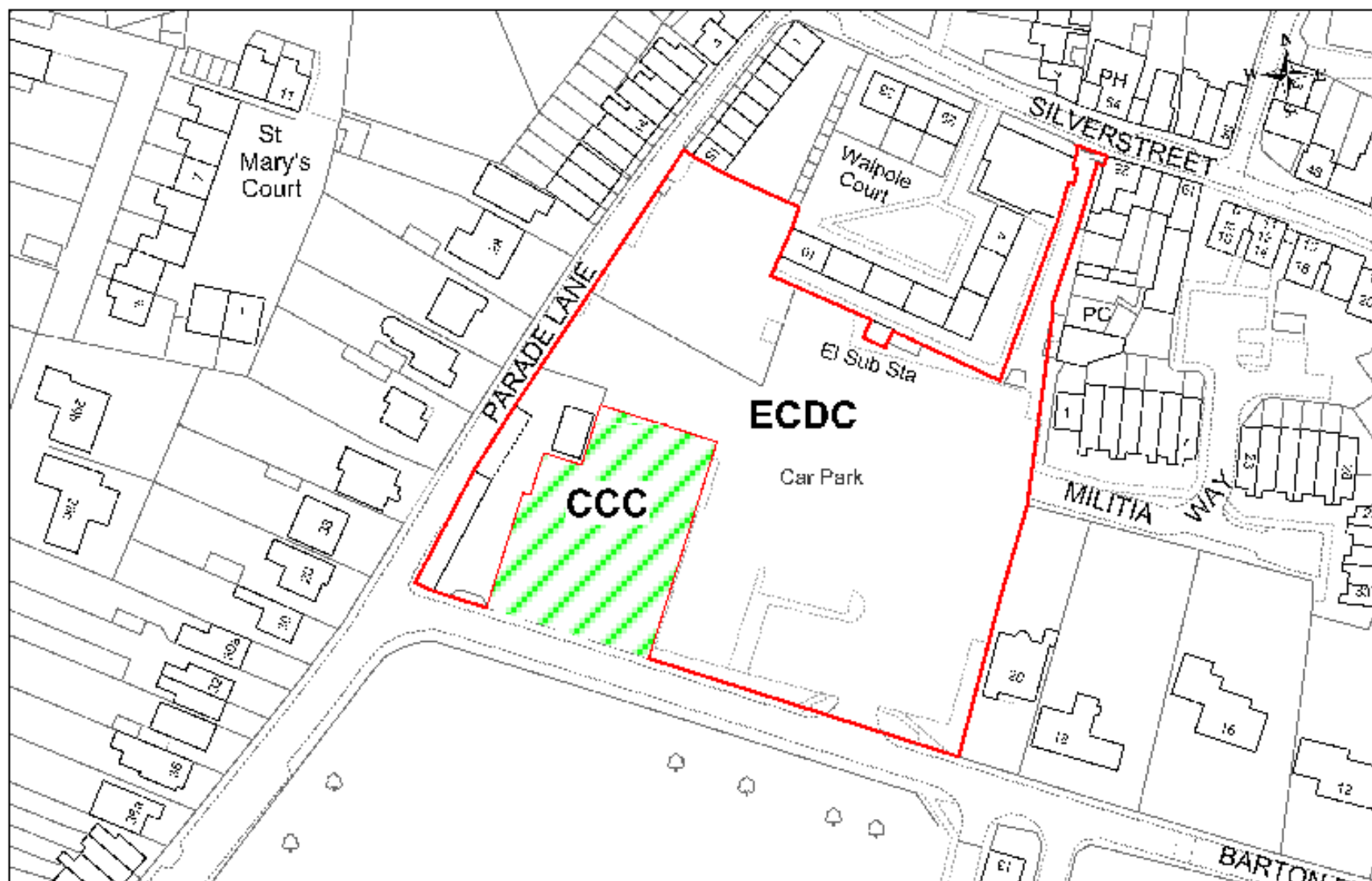
The local County Councillor, Mike Rouse, supports the proposal.

4.6 Public Health Implications

There are no significant implications within this category.

Source Documents	Location
Deed Packet	County Records

Land at Barton Road, Ely



Scale (at A4): 1:1000

Centred at: 553755,280055

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