

Agenda Item No: 10

**REQUEST FROM TENANT TO EXTEND LEASE FOR A FURTHER 10 YEARS AT
CENTRE E, 24 BARTON ROAD, ELY**

To: **Commercial and Investment Committee**

Meeting Date: **23 March 2018**

From: **Chris Malyon, Deputy Chief Executive**

Electoral division(s): **Ely South**

Forward Plan ref: **n/a**

Key decision: **No**

Purpose: **To agree whether a 10 year lease extension can be
granted to the current tenant at a less than best rent**

Recommendation: **a) To consider the feasibility of the buildings future.
b) Agree if the best consideration for future use of the
building is to be for Community uses then agree a
lease extension with a rent review in 2020.**

<i>Officer contact:</i>	<i>Member contact:</i>
Name: John Macmillan Post: Group Asset Manager Email: john.macmillan@cambridgeshire.gov.uk Tel: 01223 699092	Name: Councillor Joshua Schumann Post: Committee Chairman Email: Joshua.schumann@hotmail.com Tel: 01223 706398

1. BACKGROUND

1.1 Centre E, 24 Barton Road, Ely CB7 4DE is a CCC freehold property, located in the centre of Ely.



1.2 The property is surrounded by a public car park owned by East Cambs District Council (highlighted pink on the plan below) and opposite the grounds of Kings School Ely.



1.3 The current lease between Cambridgeshire County Council (CCC) and Youth Ely Hub CIO for a term of 5 years from 1 May 2015 until 30 April 2020.

1.4 Centre E is listed as an Asset of Community Value with East Cambs in accordance with The Localism Act 2011(LA). The register details - The primary use of this building is to provide a space for social and charitable use and is of benefit to a

number of community groups and their users. Date nominated 12/04/17 (removal date 30/05/2022) by Youth Ely Hub Charitable Incorporated Organisation. This means that in the event of the property coming up for sale during this period the party nominating the asset have the opportunity to bid to purchase the property (at market value would be best consideration unless otherwise agreed by Members) and have six months to prepare their case, although CCC would not be obliged to sell to them.

- 1.5 The building consists of a 2 storey brick building which opened as the Cambridgeshire TA headquarters in 1939.



2. THE MAIN ISSUES

- 2.1. The current lease runs for 5 years from 1 May 2015 until 30 April 2020, and there is a licence to Centre 33. The current rental is 10 % of the income received from third parties.
- 2.2. Centre E are marketing the hire of their rooms using Membership Rate - £10 per hour, Community Friendly Rate - £15 per hour and Casual/Commercial Rate - £20 per hour. They are also letting rooms on a monthly basis at rates of £229 per month, £236 per month and £390 per month. Centre E are currently in the process of being furnished with computers and associated furniture by Sanctuary Housing Association to create a community computer suite. They also have a purpose-built therapy room for hourly hire by local small business to serve the community.
- 2.3. Centre E have requested at least an additional 10 years lease extension which comes as a result of an application for funding to upgrade the kitchen facilities. They are hoping to secure £40,000 of funding. They are seeking to obtain an extension asap so that the additional funding can be applied for.
- 2.4. This brings forward the question as to the future use of the building.
- 2.5. Previously the possibility of demolition and redevelopment of the subject property has been investigated. The redevelopment scheme explored was a joint initiative with East Cambs District Council (ECDC) to redevelop the area of car park in their ownership and the parcel of land including Centre E but they decided to develop on their land only.

- 2.6. The condition and lifespan of the building may need to be reviewed and the long term strategy for the property needs to be considered in light of CCC's financial position.
- 2.7. ECDC's development company Palace Green Homes are currently developing the part of the car park adjacent to the subject property with six family townhouses and five apartments (including two affordable units). The apartments due to be completed by May 2018 are currently being marketed by Cheffins for £199,995 for the 1 bedroom (all sold subject to contract) and £299,995 for the 2 bedroom Penthouse. This raises the question as to whether CCC should consider possible options for the building.
- 2.8. Centre E have advised that in recognition of their co-operation and support of the new housing development adjacent, Palace Green Homes developers offered the following: entire outer surface of the exterior area of the Centre will be re-surfaced this year plus a new perimeter wall, including improved and ornamental pedestrian and vehicular access gates to replace the current wire fence aligning the new development

3.0 OPTIONS

- 3.1 Agree a lease extension by way of a reversionary lease for 10 years which would give Centre E security until 30 April 2030 continuing on the same lease terms. This would be a 10 year lease at a less than best rental.
- 3.2 Agree a lease extension by way of a reversion lease for 10 years which would give Centre E security until 30 April 2030 which would incorporate a rent review in 2020 to assess whether the existing mechanism of 10 of income received from third party is still relevant if not incorporate a market rent or fixed increase every 5th year.
- 3.3 Continue with existing lease term and review position in 2020
- 3.4 Conduct feasibility appraisal for the building – to assess the building condition and possible development appraisal.

4.0 SUMMARY

- 4.1 What is the best use of the building and strategy for the long term future of the building needs to be clarified.
- 4.2 Whether redevelopment is something that should be explored now or in the future will impact on the length of lease that can be offered to Centre E.

5 ALIGNMENT WITH CORPORATE PRIORITIES

5.1 Developing the local economy for the benefit of all

- The Centre have been hiring out rooms for meetings/office space/rooms which encourages small business development
- They hold local events

5.2 Helping people live healthy and independent lives

- The Centre facilities are used by the youth group to encourage and promote numerous activities (user group summary Appendix 1).
- The facilities are used for exercise classes for adults and children
- They are currently developing a community computer suite to enhance members of the community IT skills and opportunities
- Centre E are also developing a therapy room

5.3 Supporting and protecting vulnerable people

- Centre E provides a variety of classes and a safe environment for young people to go
- The programme of events includes weekly meetings for disabled adults, children with special needs, youth carers, polish classes

6 SIGNIFICANT IMPLICATIONS

6.1 Resource Implications

There are no significant implications within this category.

6.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category

6.3 Statutory, Legal and Risk Implications

There are no significant implications within this category.

6.4 Equality and Diversity Implications

There are no significant implications within this category.

6.5 Engagement and Communications Implications

There are no significant implications within this category.

6.7 Localism and Local Member Involvement

Local member support and involvement in Centre E

6.8 Public Health Implications

Public Health implications have been identified in section 5 of this report

Implications	Officer Clearance
Have the resource implications been cleared by Finance?	Yes or No Name of Financial Officer: Tom Kelly
Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?	Yes Name of Officer: Paul White Confirmed no issues
Has the impact on statutory, legal and risk implications been cleared by LGSS Law?	Yes or No Name of Legal Officer: Helen Penny
Have the equality and diversity implications been cleared by your Service Contact?	Yes Name of Officer: John Macmillan
Have any engagement and communication implications been cleared by Communications?	Yes Name of Officer: Christine Birchall Confirmed that they would like to issue a story
Have any localism and Local Member involvement issues been cleared by your Service Contact?	Yes Councillor Bailey has been involved in bringing the proposed lease extension forward.
Have any Public Health implications been cleared by Public Health	Yes Name of Officer: Kate Parker

Source Documents	Location
<i>List of previous users of Centre E</i>	Appendix 1

Appendix 1

Summary of Past Users of Centre E provided:

SPORT AND EXERCISE

All4Sports (sport club for pre-school children)
Krav Magna (adults self-defence)
Keep Fit 60+ (exercise for over 60s)
Bujinkan (adults martial arts)
Peaceful Warrior (adults martial arts)
Body Shape Fitness Camp (adult fitness training/assessments)

PERFORMANCE AND EXERCISE

Julia Pilates/Zumba (older age group)
4th Dimension Dance (dance for children/young people)
Happy Feet (dance for younger children)
Horizons Dance Academy (dance for children and young people)
Sophies Pilates (adults)
Ely & Littleport Riots (morris dancing troupe)
Choir of Ely Sinfonia (rehearsal space)

ARTS ACTIVITIES

Playright Youth Theatre (youth theatre company)
KD Theatre (youth theatre company)
ADEC Youth Music Project (music development – older youth)
Snail Tails Storytelling (educational theatre company)

HEALTH AND WELLBEING SERVICES/SUPPORT GROUPS

Square Peg (support and activity group for disabled children and their parents/carers)
Young Carers (children living as a carer)
The Kite Trust (social and support group for LGBT young people)
Choices Counselling (adults suffering due to sexual abuse as children)
Comma Counselling (counselling services)
East Cambridgeshire Counselling (counselling services)
CPFT Foundation, NHS Trust for Child & Adolescent Mental Health (Neurodevelopmental Team)
National Childbirth Trust (events)
Sabrina's Natural Therapy (NAET Allergy Practitioner)
Ely Hypnotherapy, Psychotherapy & CBT (complimentary health and counselling services)

EDUCATIONAL

Home Education Group (group activity/socialising for children that are home educated)

Polish Community School (children and youth people polish language to GCSE level)

*Guardian article 2016: <https://www.theguardian.com/society/2016/oct/25/speak-polish-saturday-school-language-history>

St John's Ambulance Cadets (Ely branch young people)

Mini Professors (sciences based activities for young children)

August 2018 – Cosmos Roadshow

Centre E will be hosting a free week long public educational science exhibition by the Cambridge Science Centre in partnership with Greater Cambridge, Greater Peterborough Learning Enterprise Partnership (educational charity providing hand-on exhibits, interactive shows and workshops about science, technology, engineering and maths)

COMMUNITY GROUPS/EVENTS

Aquarius Group (social group for disabled adults)

Ely Allotment Association (group meetings)

Ely Flea (monthly antique and collectors fair)

St John's Ambulance (Ely branch)

CHARITIES/SMALL BUSINESSES

Centre 33 – (significant office and counselling room provision for area services)

Ely Food Bank (district storage and distribution facility)

Arts Development East Cambs (storage of community equipment)

Mobile Studio Company (office use)

RGP Security (training facilities)

Eel Catchers Daughter (office use)

Narshada Photography (pop-up studio space)

COMMUNITY AND LOCAL AUTHORITY SERVICES

Polling Station – Ely East Ward

DVLA (theory driving test centre for local area)

Cambridgeshire Probation and Youth Offending Services (CCC – young offenders)

Cambridgeshire (Huntingdon and Bedfordshire) Constabulary (youth services)

Cambs City Unit 1 (CCC - children support services)

Cambs City Unit 4 (CCC - children support services)

East Cambs Unit 4 (child supervised contact)

East Cambs CLT East (community liaison)

Supervised Contact Service (CCC – children support services)

Office of the Cambridgeshire Police & Crime Commissioner (community liaison events)

Venue for parties and celebrations for the public (christenings, birthdays, weddings etc)

YEH - Youth Hub (youth club for 8-25 years)