

BURWELL DAY CENTRE – PROPOSED LEASE RENEWAL AT “LESS THAN BEST CONSIDERATION”

To: Cabinet

Date: 17 September 2012

From: Service Director: Adult Social Care and Corporate
Director: Customer Service and Transformation

Electoral division(s): Burwell

Forward Plan ref: 2012/035 **Key decision:** Yes

Purpose: To consider a request from Burwell Parish Council to be charged a rent that is “less than best consideration” for the renewed lease of Burwell Day Centre.

Recommendation: To charge a rent at “less than best consideration” for a renewed lease to Burwell Parish Council of Burwell Day Centre to enable the continued provision of older people’s services.

<i>Officer contacts:</i>		<i>Member contacts:</i>	
Name:	Richard O’Driscoll	Name:	Councillor Martin Curtis
Post:	Head of Older People's Commissioning	Portfolio:	Adult Services
Email:	Richard.O'Driscoll@cambridgeshire.nhs.uk	Email:	Martin.Curtis@cambridgeshire.gov.uk
Tel:	01223 725335	Tel:	01223 699173
Name:	David Nuttycombe	Name:	Councillor Steve Count
Post:	Head of Strategy and Estates,	Portfolio:	Resources and Performance
Email:	David.Nuttycombe@cambridgeshire.gov.uk	Email:	Steve.Count@cambridgeshire.gov.uk
Tel:	01223 699081	Tel:	01223 699173

1. BACKGROUND

- 1.1 Burwell Day Centre is a single storey purpose built day centre for the elderly built in 1989 with an internal area of 230.4 sq m (2,481 sq ft) with dedicated car park located in Parsonage Close, Burwell. The day centre is the only full time charitable trust day centre in East Cambridgeshire and is managed on behalf of the Burwell Parish Council by Burwell Day Centre Trust (a charity) employing four part time paid workers and more than sixty volunteers.
- 1.2 The Parish Council was granted a lease of the day centre for 21 years from 1st September 1991 at a rent of £1 per year. The lease restricts use “as a *Voluntary Day Centre only in accordance with specifications received from the Social Services Department of the Cambridgeshire County Council*”. The lease contains a contractual provision allowing it to be renewed for a further 21 years from 1st September 2012 on the same terms as the previous lease **except** as to rent.
- 1.3 As well as providing daily hot meals and a meals on wheels service, a wide range of complementary services are offered to users including the following offered to the community as a whole:
- Police Community Support Officer Surgeries; Chiropody; Reflexology; Massage; Hairdressing; GP surgery flu jabs.
- Groups that use the Day Centre on a regular basis include:
- Cam Sight; Cam Tad (Hearing Aids); the Workers Educational Association; Music Circle; Flower Club; NHS Slimming Group; Over 60's Club; Tea Club; Pension Club; Bingo Club
- The following groups use the centre for meetings:
- Burwell Community Forum; Burwell Visiting; Burwell Voluntary Car Scheme; Care Network; Liberal Democrats, Burwell Museum; Burwell Carers
- The day centre is also used for Party bookings, Coffee mornings, Fayres and Car boot sales.
- 1.4 Current policy, approved by Policy Committee in June 1999 and confirmed by Cabinet on 9th September 2003, is that all disposals (including leases) should be at best consideration i.e. at market level, unless Cabinet has approved otherwise.
- 1.5 The Parish Council has submitted a request for the lease to be renewed at a rent of £1 per year instead of at a market level. This request is supported by the local member.

2. MAIN ISSUES

- 2.1 The Parish Council paid to enlarge the centre in 1994 providing a larger kitchen, dining area and offices. Formal consent does not seem to have been sought or granted for the works at the time. The County Council is able to request a market rent for the building as enlarged even though the tenant funded the works and the market rent has been assessed by external valuers at £14,000 per year. This rent reflects the lease with its use restricted to a voluntary day centre.

- 2.2 At present the kitchen facility requires upgrading to comply with current regulations. To further improve the property the Parish want to lever in funding to enlarge the kitchen and have raised over £35,000 towards the £65,000 cost.
- 2.3 The Trust's business case shows that the centre is very well used having in excess of 100 members and on average provides a 2 course hot meal for 25 members each day in addition to the usage summarised in paragraph 1.3 above. In 2010 and 2011 the centre's accounts showed a surplus of £4,302 and £6,572 respectively against a turnover of approximately £90,000.
- 2.4 The provision of day centres has been under review. One outcome has been to change the balance of investment from predominantly high end needs to a more preventative community model. Burwell Day Centre is considered an example of best practice in this regard and is used as a model for other communities, for example Fulbourn.
- 2.5 The County Council has a block funding contract with the day centre and in 2011/12 paid £38,815 which represents daily provision for 15 users. County Council funding is to continue for the next 3 years.
- 2.6 The Parish and the Trust both feel there is little scope to increase income which predominantly comes from fundraising events. Any cost increase would have to be passed onto users and the Trust feel they will be unwilling to pay. The Parish therefore feels it could not continue to operate if it is charged a full market rent and the wide-ranging benefits of the centre would be lost.
- 2.7 The County Council through the strict user clause in the lease has a high degree of control over current and future use. Due to this degree of control and to allow the valuable work by the Parish and Trust to continue it is recommended that a further 21 year lease be granted at a "less than best consideration" rent of £1 per year.

3. ALIGNMENT WITH PRIORITIES AND WAYS OF WORKING

3.1 Developing the local economy for the benefit of all

The day service contributes significantly to the local economy as an employer of staff and volunteers, but also as a purchaser of local goods. It has a policy to support local businesses in its procurement arrangements.

3.2 Helping people live healthy and independent lives

Burwell Day Centre offers a range of services that enhance the lives of older people. These include social activities, a community hot meal service, and they work closely with health and social care professionals to offer individually tailored packages of support. The social importance is particularly significant, to help avoid social isolation and related mental health issues.

3.3 Supporting and protecting vulnerable people

Many of the older people who attend the centre are amongst the most vulnerable members of society. They include individuals with dementia and other long term conditions. Attendance also provides important respite for family carers. Without this type of support the risk of unnecessary institutional care would be much greater.

3.4 Ways of Working

The report above sets out the implications for **working locally** in paragraph 1.3.

4. SIGNIFICANT IMPLICATIONS

4.1 Resource and Performance Implications

The following bullet points set out details of significant implications identified by officers:

- The annual market rent of £14,000 subject to current restrictions in the lease will be foregone.
- The rental charge of £1 per year on the renewal lease is a “less than best consideration” transaction requiring Cabinet approval.

4.2 Statutory, Risk and Legal Implications

There are no significant implications for any of the prompt questions within this category.

4.3 Equality and Diversity Implications

There are no significant implications for any of the prompt questions within this category.

4.4 Engagement and Consultation Implications

The following bullet points set out details of significant implications identified by officers:

- The Burwell Day Centre is run by the voluntary sector acting on behalf of the Parish Council.
- By limiting the rental payment to £1 per year the County Council is reaffirming existing links with Parish Council and voluntary sector partners.

4.5 Public Health Implications

The report sets out details of significant implications in paragraphs 3.2 and 3.3.

Source Documents	Location
Minute 360 (Property Disposals) Cabinet 09 September 2003	http://www2.cambridgeshire.gov.uk/db/reprack.nsf/e0c624b01b2e9ade80256b14004eb73b/3395cde6c81b72d780256d94004f1862?OpenDocument