

Leicester
City Council

**WARDS AFFECTED:
NORTH BRAUNSTONE AND WYCLIFEE WARDS**

CABINET

22 APRIL 2003

**LEASES OF JUBILEE FAMILY CENTRE AND
ST. PETERS FAMILY CENTRE FOR SURE START PURPOSES**

**Joint report of the Corporate Director Resources, Access and Diversity and the
Corporate Director of Social Care and Health**

1. Purpose of Report

- 1.1 This report seeks the Cabinet's approval to the lettings of the Jubilee Family Centre and St. Peters Family Centre for Sure Start purposes in accordance with the previously approved reconfiguration of family support services.
- 1.2 The report is brought to Cabinet as the terms of the leases are at less than best consideration.

2. Summary

- 2.1 At its meeting on 23 September 2002, Cabinet approved a proposal for the reconfiguration of family support services which included both Jubilee Family Centre and St. Peters Family Centre becoming Sure Start Centres, subject to further negotiation with the Sure Start Partnerships.
- 2.2 Terms have now been agreed with NCH (formerly known as National Children's Home) in respect of Jubilee and NSPCC in respect of St. Peters, as accountable bodies, to commence refurbishment/redevelopment works under agreement for lease on or after 1st June 2003 with the grant of 25 year leases upon completion of works. The annual rental will be £1 per annum, on full repairing terms and there will be a break clause in favour of the tenants operable on the 7th anniversary or thereafter upon service of 6 months notice.

3. Recommendations

- 3.1 It is recommended that Cabinet:-
- a) approve the granting of agreements for lease and 25 year leases at £1 p.a. annual rental upon full repairing terms with a tenants break on the 7th anniversary and thereafter to:-

- i) NCH in respect of Jubilee Family Centre.
 - ii) NSPCC in respect of St. Peters Family Centre.
- b) authorise the Town Clerk to enter into the lease agreements upon agreement of detailed terms.

4. Financial and legal Implications

4.1 Financial Implications

The proposed development and lease of these Centres is in accordance with the Social Care and Health Departmental revenue strategy, and assists in achieving the Directorates financial and service objectives.

4.2 Legal Implications

When disposing of land and property, the Council has a duty under S123 of the Local Government Act 1972 to obtain the best consideration reasonably obtainable in the circumstances. If the Council intends to dispose of the land or property at less than best consideration (which would include granting a lease for a term in excess of 7 years) then the Council requires the Secretary of State’s consent before the disposal can proceed unless the disposal falls within the provisions of a General Consent.

In these cases, the Council is intending grant long leases to registered charities. The disposal of long leasehold interests to registered charities would be covered by the provisions of the 1998 General Disposal Consent making an application to the Secretary of State for consent unnecessary.

Where disposals take place at less than best consideration account must be taken of the Council’s general fiduciary duty to act reasonably in the interests of the electorate and consistent with effective, economic and efficient discharge of the authority’s functions.

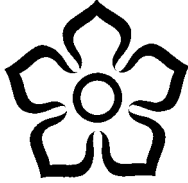
5. Officers to contact:

Neil Gamble
 Team Leader
 Departmental Valuation Services
 Extn. 5043

Kim Bromley-Derry
 Assistant Director
 (Child and Families)
 Extn. 8303

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	No
Executive or Council Decision	Executive (Cabinet)



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SUPPORTING INFORMATION

1. Report

- 1.1 On 23 September 2002 Cabinet approved a report outlining proposals for the next phase of the modernisation of Children and Family Resources. As part of the report, Cabinet approved changing roles for a number of centres including the Jubilee Family Centre, Gallards Hill, North Braunstone and St. Peter's Family Centre, Barnard Close, St Peter's which were to become Sure Start Centres, subject to further negotiation with the Sure Start Partnership Board.
- 1.2 NCH are the appointed accountable body for the Jubilee site and NSPCC for the St. Peter's site. It is intended that the facilities will act as one stop shops for families with children aged 0-4 years to access services provided by a wide range of agencies. Such services will include health, social care and welfare rights and will reflect the needs of their specific areas.
- 1.3 At Jubilee NCH wish to undertake a scheme of refurbishment and extension and it is anticipated that the building will be vacated by the end of May to allow their works to commence on 1st June 2003. The cost of the works is anticipated to be in the region of £750,000.
- 1.4 Similarly, NSPCC wish to carry out substantial works prior to commencing services and they continue to compare the feasibility and service delivery issues of options to refurbish and extend or complete redevelopment. The cost of the works is anticipated to be in the region of £810,000.
- 1.5 Terms have been agreed for both sites with the bodies to take possession under an agreement for lease to carry out agreed works with the grant of a 25 year lease following satisfactory completion thereof.

- 1.6 An annual rental of £1 (one pound) per annum will be payable and Cabinet approval is required as these would class as disposals at less than best consideration. Normal policy is not to grant leases at less than best consideration, in accordance with Audit Commission best practice guidelines. Where the Council wishes to support a group or project by paying for the cost of accommodation, the appropriate Department does so by grant funding being given to cover the rental cost, thus ensuring transparency. However, Sure Start lettings have already been seen as exceptions by the Council as the leases enable funding to be drawn down for works to premises which are then used to deliver services to vulnerable children and their families, including Council and complementary services.
- 1.7 A break clause in favour of the tenant will be included operable from the 7th anniversary onwards by service of 6 months written notice. This ties in with their guaranteed funding period.
- 1.8 The lessees will be responsible for all repairs and outgoings and the use of the premises will be limited to reflect the Sure Start objectives. Assignment will only be allowed to organisations competent to continue to provide these services.
- 1.9 Each party will bear their own legal and surveyors fees incurred.
- 1.10 As with previous Sure Start lettings, should the accountable bodies cease to be tenants of the premises for any reason, the Council will be required to continue to operate children's services at these locations, and could be subject to clawback on any capital receipt, should either service be closed and the building sold. However, in view of the investment that the Council would benefit from in the buildings and the envisaged need for continuing children's services in these locations, the circumstances that would lead to a clawback claim appear unlikely to occur. The amount of clawback would be limited to the lower of the value of the building or the amount of the grant.

FINANCIAL, LEGAL AND OTHER IMPLICATIONS

1. Financial Implications

The proposed development and lease of these Centres is in accordance with the Social Care and Health Departmental revenue strategy, and assists in achieving the Directorates financial and service objectives.

2. Legal Implications

The legal implications are outlined in detail in 4.2 of the report.

3. Other Implications

OTHER IMPLICATIONS	YES/NO	Paragraph Within Supporting information	References
Equal Opportunities	NO		
Policy	YES	Para. 1.1 of Supporting Information	
Sustainable and Environmental	NO		
Crime and Disorder	NO		
Human Rights Act	NO		
Elderly/People on Low Income	NO		

4. Background Papers – Local Government Act 1972

1. Letter to Sure Start Highfields dated 20 January 2003.
2. Letter to NCH dated 20 January 2003.
3. Letter from NCH dated 21 February 2003.

5. Consultations

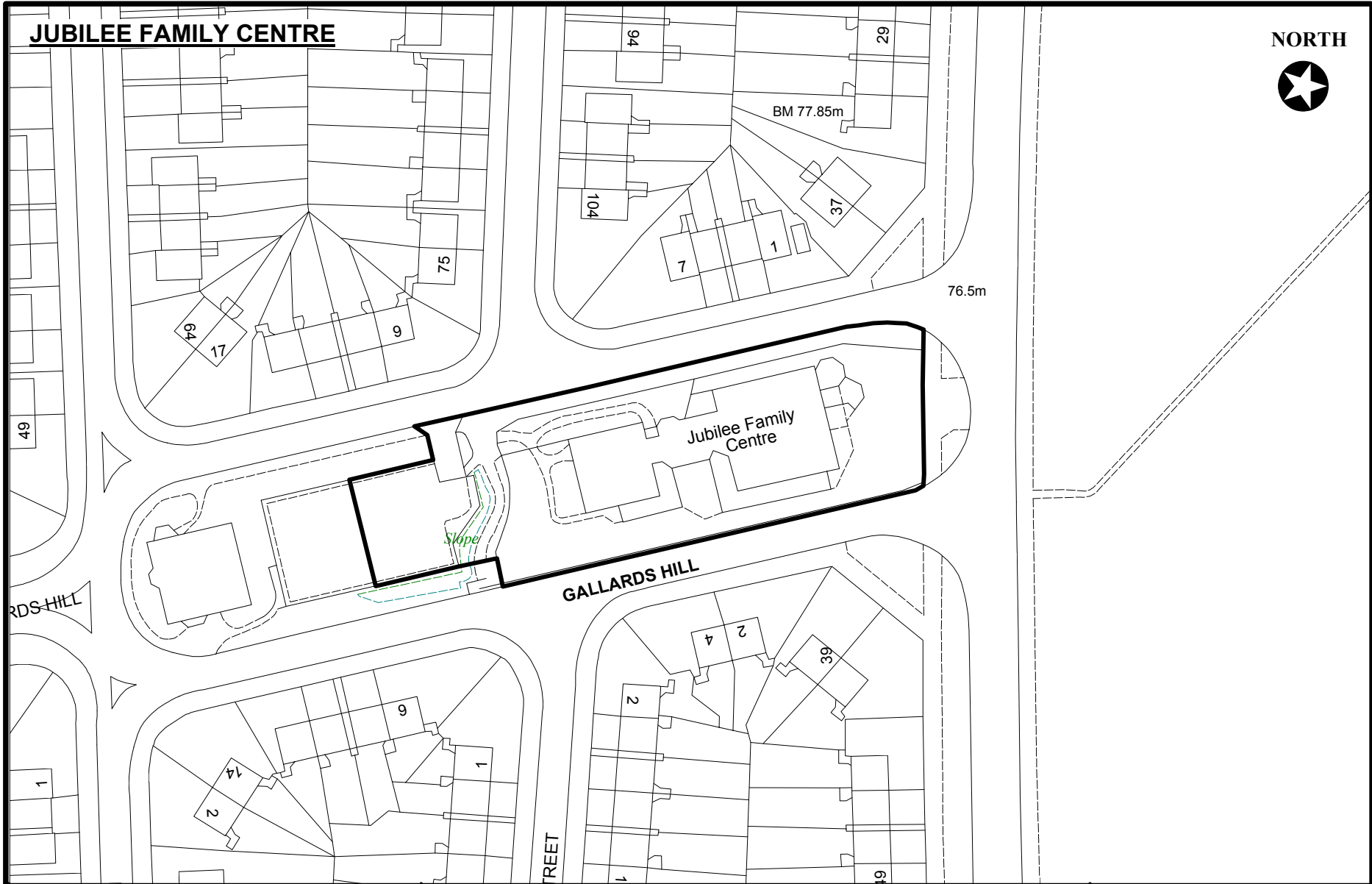
None.

6. Officer to contact:

Neil Gamble
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Assistant Director
(Child and Families)
Extn. 8303

Tom Stephenson
Corporate Director of Resources, Access and Diversity



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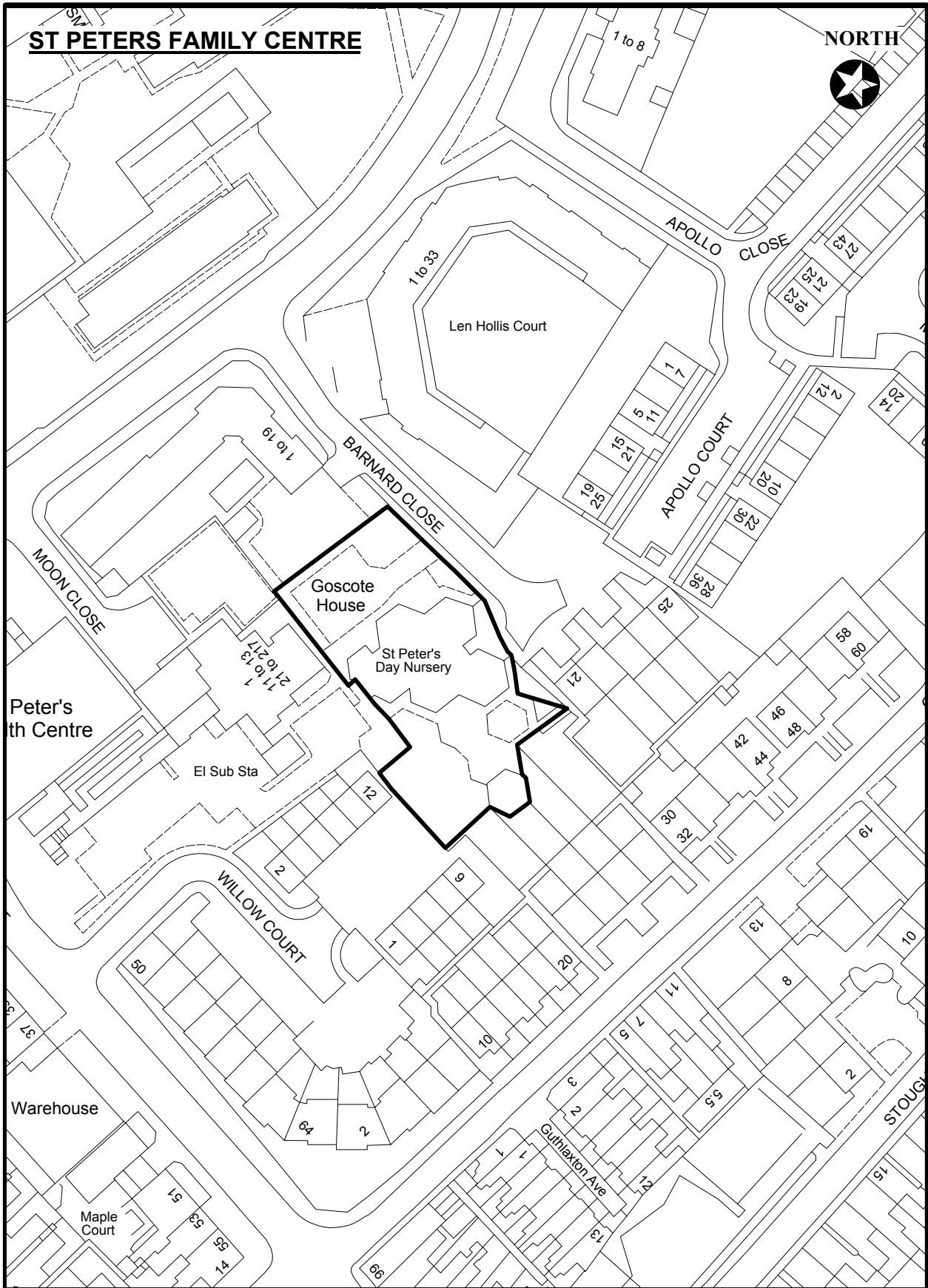
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NOT TO SCALE

PETER CONNOLLY, DIRECTOR OF
 ENVIRONMENT, DEVELOPMENT
 AND COMMERCIAL SERVICES
 LEICESTER CITY COUNCIL

ST PETERS FAMILY CENTRE

NORTH



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