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# **Executive Decision**

**Lease for New Parks (former Community Centre)  
St Oswald's Road  
New Parks Way  
Leicester  
LE3 6RJ**

Decision to be taken by: City Mayor

Decision to be taken on:  
2 December 2024

Lead Director: Matthew Wallace

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## Useful information

■ Ward(s) affected: Western

■ Report authors:

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■ Report version number: FINAL

## 1 Summary

To seek approval for a lease renewal for a Community Asset Transfer (CAT) of New Parks (former Community Centre), St Oswald's Road, New Parks Way, Leicester, LE3 6RJ to Team Hub CIC for 10 years outside the Landlord and Tenant Act 1954.

## 2 Recommended actions/decision

It is recommended that Team Hub CIC shall be granted a new 10 year CAT lease, contracted out of the Landlord & Tenant Act 1954 at a peppercorn rent (with a rent review in the fifth year of the term) with an annual fee of £2,500 payable to the Council for administration services which includes building inspection and compliance checks.

Given that the lease term is over a period of 7 years it is classed as a disposal. Therefore, an Executive Decision Paper is required to obtain a City Mayor decision.

## 3 Scrutiny/stakeholder engagement

- 3.1 Leicester City Council as the Landlord have been in contact with Team Hub CIC (Tenant) to review their existing CAT lease agreement which originally commenced on 21 September 2017 and expired on 20 September 2022. The tenant is currently holding over at a peppercorn rent. Estates and Building Services have undertaken a compliance check of the building and have assessed the building condition. Overall, the building is in a compliant state.
- 3.2 Neighbourhood and Environmental Services (NES) have met with the tenant to review the existing business plan as part of the current CAT lease along with a new business plan for this renewal of CAT lease. NES are satisfied with the current and the future business plan to be incorporated within the CAT lease renewal.
- 3.3 The premises current use is for community purposes in keeping with the Tenant's stated aims in their business plan.

- 3.4 Review visits to inspect the building's condition, compliance with regulation and delivery of the business plan is to be undertaken by the City Council's representatives annually.
- 3.5 It is proposed that, following the expiry of the existing lease, a renewal of CAT lease should be granted unless there is a good reason for the Council as landlord not to do so. Reasons for not renewing the lease may include:
- Failure of the lessee to comply with the terms of the original lease including delivery against the agreed business plan;
  - Failure of the lessee to adequately maintain the building;
  - Land/property required by the Council for alternative purposes.
- 3.6 The Lessor and Lessee shall be entitled to determine this lease only during the fifth year of the term by serving not less than 6 months' notice in writing to each party.

#### **4 Background and options with supporting evidence**

Team Hub CIC have been occupying the New Parks (former Community Centre) on a 5-year CAT lease since 21 September 2017 at a peppercorn rent. They have met the existing lease conditions of maintaining the building on a full repairing basis and keeping the building in a compliant state. They have also delivered the requirements of the existing business plan from 2017 and therefore, they have requested a new lease for a term of 10 years.

- 4.1 A new business plan has been developed by Team Hub which will be embedded into the new lease. This will be used to monitor the delivery of the community benefits which Team Hub have committed to. The business plan includes delivery of Team Troupers Dance Academy for children and young people; community room hire from Monday to Saturday; a community café; a community events programme; programmes for children aged 0-5 years and young people; and, a community engagement programme for adults. In addition, Team Hub have attracted significant investment from Leicester City Football Club's 'In The Community' fund which has delivered a state-of-the-art Cruyff court which is available for hire 40% of the week with open access 60% of the week. Sports such as walking football are actively encouraged for seniors.
- 4.2 Team Hub is a Community Interest Company registered with Companies House. The organisation has three directors, and a management committee of 12 local people. A Building Advisory Group supports the running of the centre. Team Hub employs 9 part-time members of staff to deliver the various programme strands and operates a volunteer scheme for the benefit of the local community.
- 4.3 The most recent accounts filed by Team Hub indicate the organisation is financially secure with turnover growing year on year, with a small overall annual profit being returned.
- 4.4 Based on the performance of the past six years; the sound property and financial management of the organisation; and, the demonstrable positive community

investment and impact, it is recommended to offer Team Hub a 10-year lease with a break clause at five years, which will incorporate the robust business plan produced for the next period.

## **5 Financial, legal, equalities, climate emergency and other implications**

### **5.1 Financial implications (Stuart McAvoy)**

This report recommends the continuation of an existing CAT lease at peppercorn rent. For the benefits outlined within this report, the principal cost to the Council is an opportunity cost of not letting out the building at full market rent to another organisation or utilising it for other Council purposes. All other costs being incurred by the Council are covered by the £2,500 payment from Team Hub CIC.

Signed: Stuart McAvoy, Head of Finance

Dated: 6 November 2024

### **5.2 Legal implications (Zoe Iliffe)**

The Council has a legal obligation to dispose of land at the best consideration reasonably obtainable in accordance with s.123 of the Local Government Act 1972 (as amended). Open marketing is acknowledged to achieve best consideration. A disposal includes either a freehold sale or lease for a term of more than 7 years.

The Council has the power to dispose of land and property at less than best consideration in accordance with the 2003 General Disposal Consent for the disposal of land and property. In order to utilise the Consent, the Council must be satisfied that the proposed disposal will contribute to the social, economic or environmental well-being of the area in which the property is situated. The limit of the undervalue in respect of each individual site must not exceed £2m, which does not appear to be the case with the proposal. On the basis of the information contained in this report, the proposed disposal would comply with the requirements of the Consent.

Following the implementation of the Localism Act 2011, the Council adopted the Community Asset Transfer Policy to enable community groups the opportunity to have a greater control in their community governance. Any decision to dispose may only be made if the procedure within the Policy has been followed.

Given that any disposal under the CAT Policy at less than best consideration will have a financial implication for the Council, the Council will also need to ensure that the Council's general fiduciary duty is complied with in disposing of assets in accordance with the GDC or the Disposals Framework. Any documentation will need to contain provisions which will secure the achievement of the benefits set out in this report or the terms subsequently agreed.

Signed: Zoe Iliffe, Principal Lawyer (Property Highways & Planning)

Dated: 6 November 2024

### 5.3 Equalities implications (Surinder Singh)

The Council's Public Sector Equality Duty (PSED) as set out in the Equality Act 2010 require decision makers to be aware of and take account of the impact of its proposals on those likely to be affected.

Under the Equality Act 2010, public authorities have a PSED which means that, in carrying out their functions, they have a statutory duty to pay due regard to the need to eliminate unlawful discrimination, harassment, victimisation and any other conduct prohibited by the Act, to advance equality of opportunity between people who share a protected characteristic and those who don't and to foster good relations between people who share a protected characteristic and those who don't.

Protected Characteristics under the Equality Act 2010 are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex, sexual orientation.

The reports seeks approval for a new Community Asset Transfer (CAT) Lease off New Parks (former Community Centre). The Council's Community Asset Transfer policy seeks to deliver benefits to the local community, benefits to the Council and other public sector service providers, and benefits for the organisation taking ownership. From an equalities perspective, the most relevant consideration is that of benefits to the local community. Community-led ownership offers additional opportunities to empower local citizens and communities. There are no direct equalities implications arising from the report.

Signed: Surinder Singh

Dated: 29 October 2024

### 5.4 Climate Emergency implications (climatechangeimplications)

There are limited climate emergency implications associated with this report, as the building would maintain its current status under the recommended outcome. More widely, energy use within buildings is a significant source of carbon emissions within the city, and a key area to tackle following the council's declaration of a climate emergency of a climate emergency and ambition to reach net zero carbon emissions. This is particularly important where the council has a higher level of control.

As such, consideration should be given to opportunities to encourage and enable the occupant to improve the energy efficiency of the building as relevant, through measures such as low energy lighting, improved insulation and low carbon heating. Alongside reducing carbon emissions, these measures could also reduce energy bills and increase comfort levels in the buildings.

Signed: Aidan Davis, Sustainability Officer, Ext 37 2284

Dated: 30 October 2024

### 5.5 Other implications

None

**6 Background information and other papers:**

**7 Summary of appendices:**

Appendix 1 – Site Plan

**8 Is this a private report (If so, please indicate the reasons and state why it is not in the public interest to be dealt with publicly)?**

No

**9 Is this a “key decision”? If so, why?**

No

# Appendix 1 – Site Plan

