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# **Executive Decision**

**CAT lease renewal for  
Northfields Neighbourhood Centre,  
Brighton Road,  
Leicester,  
LE5 0HA**

Decision to be taken by: City Mayor

Decision to be taken on: 3 April 2025

Lead Director: Matthew Wallace

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## Useful information

- Ward(s) affected: North Evington
- Report authors: Hiren Vaitha, Senior Estates Valuation Surveyor  
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- Report version number: FINAL

### 1 Summary

To approve the decision to renew the Community Asset Transfer (CAT) Lease of Northfields Neighbourhood Centre, Brighton Road, Leicester, LE5 0HA, to the Islah Trust for 5 years, contracted outside of the Landlord and Tenant Act 1954.

### 2 Recommendation

It is recommended that the Islah Trust shall be granted a renewal of their CAT lease for a new term of 5 years, contracted outside of the Landlord & Tenant Act 1954 at an annual rent of £16,000 per annum payable in the first year and thereafter, £16,500 per annum payable (market rent valuation is £18,000 per annum).

### 3 Scrutiny/stakeholder engagement

- 3.1 Leicester City Council as the Landlord have been in contact with the Islah Trust (Tenant) to review their existing CAT lease agreement which commenced on 20 December 2018 for 5 years. The tenant has remained in occupation since their contracted-out lease ended on 19 December 2023. Estates and Building Services have undertaken a compliance check and inspection of the building and have assessed the building condition. Overall, the building is in a compliant state.
- 3.2 Neighbourhoods & Environmental Services (NES) have met with the tenant to review performance against their existing business plan and to develop a new plan for the next 5 years. Neighbourhood & Environmental Services and the future leaseholder are satisfied with the current and future business plan, which will be attached to the new CAT lease. Neighbourhood & Environmental Services have reviewed the business plan submission and assessed all criteria and consider the past record and new business plan meet the policy for a CAT lease. It is considered that all social, environmental and sustainability wellbeing has been met and the new targets are outlined in the new business case.
- 3.3 EBS has inspected the property in line with its annual inspection regime and is satisfied that the building meets all compliance and maintenance is up-to-date.

- 3.4 It is proposed that, following the expiry of the existing lease, a renewal of the CAT lease should be granted unless there is a good reason for the Council as landlord not to do so. Reasons within the CAT policy for not renewing the lease may include such things as:
- 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;
  - The asset is required by the Council for its own functions/purposes.
- 3.5 The premises current planning use is for community purposes only in keeping with the Tenant's stated aims in their business plan.
- 3.6 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 on an annual basis. There will be a fee for this which has been included in the signed Heads of Terms.

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

- 4.1 Islah Trust have been occupying Northfields Neighbourhood Centre on a 5-year CAT lease since 20 December 2018 at a rent of £16,000 pa. They have met their existing lease conditions of maintaining and keeping the building in a compliant state. They have also delivered the requirements of the existing business plan from 2018 and therefore, they have requested a lease extension for a second term of 5 years.
- 4.2 Islah Trust have submitted a new business plan to support their application for a lease under the Council's Community Asset Transfer policy. The organisation is also committed to working with a range of charitable partners to provide community benefits to local people.
- 4.3 Islah Trust is a registered charity. The organisation has six trustees and 10 registered volunteers.
- 4.4 The most recent accounts filed by Islah Trust up to 31 March 2024 indicate the organisation is financially stable with a regular turnover from donations and room hire income, with a small overall annual profit being returned.
- 4.5 The business plan submitted by Islah Trust commits to the delivery of the following community benefits:

The centre will be available for hire 7 days a week with concessions in place for community groups and for local residents.

Islah Trust are committed to the delivery of a range of services to support local

people, including a toddler group, adult learning courses, health awareness sessions, additional needs children's classes and a community coffee morning.

- 4.6 The updated business plan will be attached to the new lease with annual monitoring and compliance checks to be undertaken to assess progress on delivery of the planned community benefits.

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

### 5.1 Financial implications

The Council currently receives an annual income of £15k from the lease arrangements with the Islah Trust. If the lease is extended, as proposed, then the Council will continue to receive rental income of £16k in year 1, rising to £16.5k in years 2 to 5. If this lease was not extended then the Council would incur costs associated with a vacant property, including maintenance costs until a suitable alternative tenant was found.

Signed: Stuart McAvoy – Head of Finance

Dated: 3<sup>rd</sup> March 2025

### 5.2 Legal implications

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: 5<sup>th</sup> March 2025

### 5.3 Equalities implications

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 lease/lease renewal for a Community Asset Transfer (CAT) Lease of Northfields Neighbourhood Centre, Brighton Road, Leicester, LE5 0HA to the Islah Trust. 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: Equalities Officer, Surinder Singh Ext 37 4148

Dated: 25<sup>th</sup> February 2025

### 5.4 Climate Emergency Implications

There are no immediate climate emergency implications associated with this report, as the building would maintain its current use. More widely, energy use within buildings is one of the biggest sources of carbon emissions within the city, and a key area of focus to make progress towards net zero.

As such, consideration should be given to any opportunities to encourage and enable the occupant to improve the energy efficiency of the building and reduce carbon emissions through the landlord-tenant relationship.

Signed: Duncan Bell, Change Manager (Climate Emergency) - Sustainability Team

Dated: 25<sup>th</sup> February 2025

### 5.5 Other implications

None

**6 Background information and other papers:**

N/A

**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

This Decision is reserved for the City Mayor as the lease renewal falls within the “special purchaser” exception of the Disposals Framework.

**Appendix 1 – Site Plan**



**NORTHFIELDS NEIGHBOURHOOD CENTRE**

**NORTH**



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DIRECTOR OF ESTATES & BUILDING SERVICES  
 LEICESTER CITY COUNCIL